WALL STREET AND THE FINANCIAL CRISIS:
ANATOMY OF A FINANCIAL COLLAPSE

REPORT AND APPENDIX

BEFORE THE
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
OF THE
COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION

VOLUME 5 OF 5—PART IV

APRIL 13, 2011

Available via http://www.gpoaccess.gov/congress/index.html

Printed for the use of the Committee on Homeland Security
and Governmental Affairs

U.S. GOVERNMENT PRINTING OFFICE
66-052PDF
WASHINGTON : 2011
FOOTNOTE LOCATOR LIST and BATES LOCATOR LIST

The following two lists, Footnote Locator List starting below, and the following Bates Locator List, reference documents referred to in the Report’s footnotes. Footnotes which are not contained in either list are explanatory, reference Subcommittee interviews for which records are not available to the public, or reference a widely available public document.

Many documents are referenced in multiple footnotes. To locate a document by footnote number refer to the Footnote Locator List, using the first footnote in which the document is referenced. To locate a document by bates number, refer to the Bates Locator List. Both lists then provide the page number where the document can be found. That page number appears in the top right-hand corner of the Footnote Exhibits.

Footnote Locator List.

<table>
<thead>
<tr>
<th>Footnote</th>
<th>PN Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>107</td>
<td>1</td>
</tr>
<tr>
<td>108</td>
<td>5</td>
</tr>
<tr>
<td>148</td>
<td>8</td>
</tr>
<tr>
<td>154</td>
<td>25</td>
</tr>
<tr>
<td>158</td>
<td>40</td>
</tr>
<tr>
<td>197</td>
<td>45</td>
</tr>
<tr>
<td>217</td>
<td>48</td>
</tr>
<tr>
<td>218</td>
<td>52</td>
</tr>
<tr>
<td>226</td>
<td>53</td>
</tr>
<tr>
<td>275</td>
<td>60</td>
</tr>
<tr>
<td>301</td>
<td>61</td>
</tr>
<tr>
<td>303</td>
<td>63</td>
</tr>
<tr>
<td>307</td>
<td>65</td>
</tr>
<tr>
<td>311</td>
<td>69</td>
</tr>
<tr>
<td>315</td>
<td>71</td>
</tr>
<tr>
<td>333</td>
<td>74</td>
</tr>
<tr>
<td>372</td>
<td>78</td>
</tr>
<tr>
<td>373</td>
<td>79</td>
</tr>
<tr>
<td>374</td>
<td>81</td>
</tr>
<tr>
<td>375</td>
<td>83</td>
</tr>
<tr>
<td>376</td>
<td>84</td>
</tr>
<tr>
<td>377</td>
<td>85</td>
</tr>
<tr>
<td>378</td>
<td>87</td>
</tr>
<tr>
<td>393</td>
<td>89</td>
</tr>
<tr>
<td>422</td>
<td>92</td>
</tr>
<tr>
<td>422</td>
<td>188</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>424</td>
<td>JPM_WM00652762</td>
</tr>
<tr>
<td>474</td>
<td>JPM_WM02414318</td>
</tr>
<tr>
<td>477</td>
<td>JPM_WM03311796</td>
</tr>
<tr>
<td>534</td>
<td>JPM_WM00783315</td>
</tr>
<tr>
<td>572</td>
<td>JPM_WM02446549</td>
</tr>
</tbody>
</table>

**CHAPTER IV: Case Study of the Office of Thrift Supervision**

<table>
<thead>
<tr>
<th>Footnote</th>
<th>FN Exhibit</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>625</td>
<td>JPM_WM02548447</td>
<td>213</td>
</tr>
<tr>
<td>626</td>
<td>Dochow_Darrel-00001364_001</td>
<td>259</td>
</tr>
<tr>
<td>628</td>
<td>OTDSMS08-015 0001216</td>
<td>261</td>
</tr>
<tr>
<td>632</td>
<td>FDIC-PSI-01-000009</td>
<td>263</td>
</tr>
<tr>
<td>633</td>
<td>Franklin_Benjamin_00035755_001 at 32</td>
<td>264</td>
</tr>
<tr>
<td>648</td>
<td>OTDSME04-0000004883</td>
<td>302</td>
</tr>
<tr>
<td>649</td>
<td>OTDSME04-0000004889</td>
<td>308</td>
</tr>
<tr>
<td>656</td>
<td>JPM_WM01022322</td>
<td>314</td>
</tr>
<tr>
<td>691</td>
<td>OTDSME06-039 0000214</td>
<td>319</td>
</tr>
<tr>
<td>694</td>
<td>OTDSME06-039 0000205</td>
<td>323</td>
</tr>
<tr>
<td>700</td>
<td>OTDSMEM-0000020983</td>
<td>326</td>
</tr>
<tr>
<td>703</td>
<td>OTDSMEM-000000274</td>
<td>328</td>
</tr>
<tr>
<td>704</td>
<td>OTDSMEM07-067 0001082</td>
<td>350</td>
</tr>
<tr>
<td>707</td>
<td>New York v. First American Corporation</td>
<td>353</td>
</tr>
<tr>
<td>708</td>
<td>OTDSMS07-011 0001294</td>
<td>384</td>
</tr>
<tr>
<td>710</td>
<td>Reich_John-00040045_001</td>
<td>385</td>
</tr>
<tr>
<td>716</td>
<td>Quigley_Lori-00231363_001</td>
<td>387</td>
</tr>
<tr>
<td>719</td>
<td>OTDSME04-0000025592</td>
<td>390</td>
</tr>
<tr>
<td>720</td>
<td>OTDSMS06-007 0001020</td>
<td>397</td>
</tr>
<tr>
<td>776</td>
<td>PSL-FDIC-10-0001</td>
<td>399</td>
</tr>
<tr>
<td>824</td>
<td>JPM_WM04473292</td>
<td>402</td>
</tr>
<tr>
<td>851</td>
<td>OTDSME05-0000023053</td>
<td>411</td>
</tr>
<tr>
<td>868</td>
<td>OTDSME07-075 0000780</td>
<td>412</td>
</tr>
<tr>
<td>884</td>
<td>SEC v. Mozilo, Case No. CV09-03994</td>
<td>424</td>
</tr>
<tr>
<td>947</td>
<td>PSL-FDIC-13-000001</td>
<td>477</td>
</tr>
</tbody>
</table>

**CHAPTER V: Case Study of Moody's & Standard & Poor's**

<table>
<thead>
<tr>
<th>Footnote</th>
<th>FN Exhibit</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>952</td>
<td>S&amp;P SEN-PSI 0001945</td>
<td>482</td>
</tr>
<tr>
<td>963</td>
<td>DBSI_PSI_EMAIL01625848</td>
<td>509</td>
</tr>
<tr>
<td>975</td>
<td>PSI-SEC (Moody's Exam Report)-14-0001</td>
<td>519</td>
</tr>
<tr>
<td>981</td>
<td>SEC OCIE CRA 011212</td>
<td>535</td>
</tr>
<tr>
<td>981</td>
<td>SEC OCIE CRA 011214</td>
<td>544</td>
</tr>
<tr>
<td>981</td>
<td>SEC OCIE CRA 011217</td>
<td>545</td>
</tr>
<tr>
<td>982</td>
<td>SEC OCIE CRA 011218</td>
<td>546</td>
</tr>
<tr>
<td>991</td>
<td>S&amp;P-PSI 0000028</td>
<td>568</td>
</tr>
<tr>
<td>991</td>
<td>S&amp;P-PSI 0000036</td>
<td>575</td>
</tr>
<tr>
<td>1003</td>
<td>PSI-MOODYS-RFN-000044</td>
<td>582</td>
</tr>
<tr>
<td>1003</td>
<td>PSI-MOODYS-RFN-000045</td>
<td>583</td>
</tr>
<tr>
<td>1004</td>
<td>S&amp;P-SEC 067708</td>
<td>584</td>
</tr>
<tr>
<td>1004</td>
<td>S&amp;P-SEC 067733</td>
<td>585</td>
</tr>
<tr>
<td>1004</td>
<td>S&amp;P-SEC 067740</td>
<td>586</td>
</tr>
<tr>
<td>1004</td>
<td>S&amp;P-SEC 067747</td>
<td>587</td>
</tr>
</tbody>
</table>
### Footnote Table (continued)

<table>
<thead>
<tr>
<th>Footnote</th>
<th>FN Exhibit Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1011 PSI-Paulson&amp;Co-02-0001</td>
<td>588</td>
</tr>
<tr>
<td>1034 PSI Chart: &quot;Fact Sheet for Three Examples of Failed AAA Ratings&quot;</td>
<td>595</td>
</tr>
<tr>
<td>1042 PSI-S&amp;P-RFN-000029</td>
<td>596</td>
</tr>
<tr>
<td>1046 PSI-S&amp;P-RFN-000038</td>
<td>599</td>
</tr>
<tr>
<td>1046 PSI-S&amp;P-RFN-000006</td>
<td>605</td>
</tr>
<tr>
<td>1046 PSI-S&amp;P-RFN-000003</td>
<td>607</td>
</tr>
<tr>
<td>1046 PSI-MOODYS-RFN-000009</td>
<td>611</td>
</tr>
<tr>
<td>1046 PSI-MOODYS-RFN-000001</td>
<td>613</td>
</tr>
<tr>
<td>1056 PSI-MOODYS-RFN-000039</td>
<td>615</td>
</tr>
<tr>
<td>1080 PSI-S&amp;P-RFN-000024</td>
<td>616</td>
</tr>
<tr>
<td>1081 PSI-MOODYS-RFN-000032</td>
<td>621</td>
</tr>
<tr>
<td>1083 PSI-MOODYS-RFN-000031</td>
<td>624</td>
</tr>
<tr>
<td>1084 PSI-MOODYS-RFN-000013</td>
<td>625</td>
</tr>
<tr>
<td>1085 PSI-S&amp;P-RFN-000032</td>
<td>630</td>
</tr>
<tr>
<td>1087 PSI-MOODYS-RFN-000019</td>
<td>631</td>
</tr>
<tr>
<td>1088 PSI-S&amp;P-RFN-000002</td>
<td>633</td>
</tr>
<tr>
<td>1088 PSI-S&amp;P-RFN-000008</td>
<td>636</td>
</tr>
<tr>
<td>1089 PSI-MOODYS-RFN-000011</td>
<td>640</td>
</tr>
<tr>
<td>1113 MIS-OICE-RMBS-0419014</td>
<td>642</td>
</tr>
<tr>
<td>1119 FDIC WAMU 000003743</td>
<td>654</td>
</tr>
<tr>
<td>1122 Moody's Response to PSI Questions (2/24/2011)</td>
<td>664</td>
</tr>
<tr>
<td>1123 PSI-MOODYS-RFN-000007</td>
<td>666</td>
</tr>
<tr>
<td>1125 Moody's Response to PSI Questions (2/17/2011)</td>
<td>668</td>
</tr>
<tr>
<td>1128 S&amp;P Response to PSI Questions (2/10/2011)</td>
<td>671</td>
</tr>
<tr>
<td>1131 PSI-Standard&amp;Poor's-04-0001</td>
<td>674</td>
</tr>
<tr>
<td>1145 PSI-SEC (S&amp;P Exam Report)-14-0001</td>
<td>699</td>
</tr>
<tr>
<td>1151 MIS-OICE-RMBS-0035460</td>
<td>723</td>
</tr>
<tr>
<td>1152 PSI-S&amp;P-RFN-000044</td>
<td>724</td>
</tr>
<tr>
<td>1159 PSI-MOODYS-RFN-000029</td>
<td>726</td>
</tr>
<tr>
<td>1159 MIS-OICE-RMBS-064942</td>
<td>728</td>
</tr>
<tr>
<td>1167 PSI-S&amp;P-RFN-000017</td>
<td>733</td>
</tr>
<tr>
<td>1171 PSI-S&amp;P-RFN-000021</td>
<td>737</td>
</tr>
<tr>
<td>1172 PSI-S&amp;P-RFN-000015</td>
<td>740</td>
</tr>
<tr>
<td>1175 PSI-MOODYS-RFN-000040</td>
<td>742</td>
</tr>
<tr>
<td>1189 PSI-S&amp;P-RFN-000034</td>
<td>746</td>
</tr>
<tr>
<td>1190 PSI-S&amp;P-RFN-000012</td>
<td>750</td>
</tr>
<tr>
<td>1191 PSI-S&amp;P-RFN-000001</td>
<td>753</td>
</tr>
<tr>
<td>1193 PSI-MOODYS-RFN-000022</td>
<td>754</td>
</tr>
<tr>
<td>1201 S&amp;P SEN-PSI 0007442</td>
<td>760</td>
</tr>
<tr>
<td>1212 PSI-MOODYS-RFN-000035</td>
<td>765</td>
</tr>
</tbody>
</table>

---

**VOLUME 5 - PART II**

**CHAPTER VI: Case Study of Deutsche Bank**

<table>
<thead>
<tr>
<th>Footnote</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1238 PSI Chart: &quot;Goldman Sachs Expected Profit from RMBS Securitizations&quot;</td>
<td>769</td>
</tr>
<tr>
<td>1258 DB PSI C00000003</td>
<td>770</td>
</tr>
<tr>
<td>1262 DBSI 01201843</td>
<td>5878</td>
</tr>
<tr>
<td>1266 DB PSI 00237655</td>
<td>785</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit</td>
</tr>
<tr>
<td>----------</td>
<td>---------------</td>
</tr>
<tr>
<td>1358</td>
<td>GEM7-00001089</td>
</tr>
<tr>
<td>1359</td>
<td>GEM7-00001223</td>
</tr>
<tr>
<td>1371</td>
<td>GEM7-00000001</td>
</tr>
<tr>
<td>1373</td>
<td>GEM7-00002154</td>
</tr>
<tr>
<td>1378</td>
<td>GEM7-00002805</td>
</tr>
<tr>
<td>1375</td>
<td>GEM7-00000071</td>
</tr>
<tr>
<td>1376</td>
<td>GEM7-00000090</td>
</tr>
<tr>
<td>1379</td>
<td>GEM7-00001977</td>
</tr>
<tr>
<td>1380</td>
<td>DBSI_PSI_EMAIL.01886779</td>
</tr>
<tr>
<td>1383</td>
<td>HBK's counsel letter to PSI (10/12/2010)</td>
</tr>
<tr>
<td>1386</td>
<td>DBSI_PSI_EMAIL.01883072</td>
</tr>
<tr>
<td>1386</td>
<td>DBSI_PSI_EMAIL.02022054</td>
</tr>
<tr>
<td>1393</td>
<td>PSI-MKT Bank-02-0001</td>
</tr>
<tr>
<td>1400</td>
<td>DBSI_PSI_EMAIL.01853153</td>
</tr>
<tr>
<td>1401</td>
<td>DBSI_PSI_EMAIL.01864446</td>
</tr>
<tr>
<td>1401</td>
<td>DBSI_PSI_EMAIL.01961580</td>
</tr>
<tr>
<td>1402</td>
<td>DBSI_PSI_EMAIL.01854608</td>
</tr>
<tr>
<td>1404</td>
<td>DBSI_PSI_EMAIL.01846000</td>
</tr>
<tr>
<td>1409</td>
<td>DBSI_PSI_EMAIL.01205520</td>
</tr>
<tr>
<td>1409</td>
<td>DBSI_PSI_EMAIL.02532365</td>
</tr>
<tr>
<td>1410</td>
<td>DBSI_PSI_EMAIL.02038599</td>
</tr>
<tr>
<td>1414</td>
<td>DBSI_PSI_EMAIL.02412084</td>
</tr>
<tr>
<td>1418</td>
<td>DBSI_PSI_EMAIL.01863636</td>
</tr>
<tr>
<td>1419</td>
<td>DBSI_PSI_EMAIL.01910568</td>
</tr>
<tr>
<td>1419</td>
<td>DBSI_PSI_EMAIL.01910590</td>
</tr>
<tr>
<td>1422</td>
<td>DBSI_PSI_EMAIL.01075218</td>
</tr>
<tr>
<td>1423</td>
<td>DBSI_PSI_EMAIL.01314036</td>
</tr>
<tr>
<td>1425</td>
<td>DBSI_PSI_EMAIL.01831021</td>
</tr>
<tr>
<td>1425</td>
<td>DBSI_PSI_EMAIL.01822045</td>
</tr>
<tr>
<td>1426</td>
<td>DB PSI 01731794</td>
</tr>
<tr>
<td>1427</td>
<td>GEM7-00005480</td>
</tr>
<tr>
<td>1428</td>
<td>DBSI_PSI_EMAIL.01374694</td>
</tr>
<tr>
<td>1430</td>
<td>DB PSI 00346491</td>
</tr>
<tr>
<td>1435</td>
<td>MTSS00920</td>
</tr>
<tr>
<td>1436</td>
<td>MTSS00929</td>
</tr>
<tr>
<td>1439</td>
<td>DBSI PSI00117568</td>
</tr>
<tr>
<td>1440</td>
<td>GEM7-00006353</td>
</tr>
<tr>
<td>1441</td>
<td>DBSI PSI_EMAIL.04045219</td>
</tr>
<tr>
<td>1445</td>
<td>DB PSI 00421609</td>
</tr>
<tr>
<td>1446</td>
<td>GEM7-00002156</td>
</tr>
<tr>
<td>1448</td>
<td>DB PSI 00845552</td>
</tr>
<tr>
<td>1450</td>
<td>DBSI PSI_EMAIL.02566193</td>
</tr>
<tr>
<td>1452</td>
<td>DBSI PSI_EMAIL.04045260</td>
</tr>
<tr>
<td>1453</td>
<td>DBSI PSI_EMAIL.04047421</td>
</tr>
<tr>
<td>1454</td>
<td>DBSI PSI_EMAIL.04049521</td>
</tr>
<tr>
<td>1455</td>
<td>DBSI PSI_EMAIL.04054492</td>
</tr>
<tr>
<td>1455</td>
<td>DBSI PSI_EMAIL.02008182</td>
</tr>
<tr>
<td>1456</td>
<td>DBSI PSI_EMAIL.02007608</td>
</tr>
<tr>
<td>1458</td>
<td>DBSI PSI_EMAIL.02007794</td>
</tr>
<tr>
<td>1459</td>
<td>DBSI PSI_EMAIL.04055827</td>
</tr>
<tr>
<td>1462</td>
<td>DB PSI 00423053</td>
</tr>
</tbody>
</table>
### VOLUME 5 - PART III

#### CHAPTER VI: Case Study of Goldman Sachs

<table>
<thead>
<tr>
<th>Footnote</th>
<th>FN Exhibit Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1512</td>
<td>PSI_QFR_GS0001-548 [Redacted] 2291</td>
</tr>
<tr>
<td>1515</td>
<td>GS MBS-E-015646485 2792</td>
</tr>
<tr>
<td>1531</td>
<td>GS MBS-E-007818849 2793</td>
</tr>
<tr>
<td>1533</td>
<td>GS MBS-E-004060914 2794</td>
</tr>
<tr>
<td>1539</td>
<td>GS MBS-E-010872812 2795</td>
</tr>
<tr>
<td>1541</td>
<td>GS-PSI-00172 2796</td>
</tr>
<tr>
<td>1542</td>
<td>GS MBS 0000021129 2889</td>
</tr>
<tr>
<td>1542</td>
<td>GS MBS 0000004276 2894</td>
</tr>
<tr>
<td>1555</td>
<td>GS MBS-E-010917469 2901</td>
</tr>
<tr>
<td>1555</td>
<td>GS MBS-E-016165784 2902</td>
</tr>
<tr>
<td>1555</td>
<td>GS MBS-E-009756572 2903</td>
</tr>
<tr>
<td>1559</td>
<td>GS MBS-E-010621231 2904</td>
</tr>
<tr>
<td>1560</td>
<td>GS MBS-E-010023525 2906</td>
</tr>
<tr>
<td>1560</td>
<td>GS MBS-E-010135693 2907</td>
</tr>
<tr>
<td>1561</td>
<td>GS-PSI-03157 2930</td>
</tr>
<tr>
<td>1564</td>
<td>GS MBS-E-001837256 2943</td>
</tr>
<tr>
<td>1566</td>
<td>GS MBS-E-009713204 2946</td>
</tr>
<tr>
<td>1571</td>
<td>GS MBS-E-019659221 2950</td>
</tr>
<tr>
<td>1572</td>
<td>GS MBS-E-001865782 2951</td>
</tr>
<tr>
<td>1573</td>
<td>GS MBS-E-001863618 2955</td>
</tr>
<tr>
<td>1574</td>
<td>GS MBS-E-019642797 2959</td>
</tr>
<tr>
<td>1575</td>
<td>GS MBS-E-010780864 2960</td>
</tr>
<tr>
<td>1576</td>
<td>GS MBS-E-010965211 2963</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td>1576</td>
<td>GS MBS-E-010965212</td>
</tr>
<tr>
<td>1576</td>
<td>GS MBS-E-0109951926</td>
</tr>
<tr>
<td>1584</td>
<td>GS MBS-E-0218231196</td>
</tr>
<tr>
<td>1585</td>
<td>HUD-CDO-00005146</td>
</tr>
<tr>
<td>1586</td>
<td>HUD-CDO-00005147</td>
</tr>
<tr>
<td>1588</td>
<td>GS MBS-E-005556331</td>
</tr>
<tr>
<td>1588</td>
<td>GS MBS-E-002045021</td>
</tr>
<tr>
<td>1589</td>
<td>GS MBS-E-001806010</td>
</tr>
<tr>
<td>1590</td>
<td>GS MBS-E-000898037</td>
</tr>
<tr>
<td>1593</td>
<td>GS MBS-E-019164806</td>
</tr>
<tr>
<td>1594</td>
<td>GS MBS-E-001806034</td>
</tr>
<tr>
<td>1597</td>
<td>GS MBS-E-012553986</td>
</tr>
<tr>
<td>1601</td>
<td>GS MBS-E-001918722</td>
</tr>
<tr>
<td>1601</td>
<td>GS MBS-E-016067482</td>
</tr>
<tr>
<td>1605</td>
<td>ACA ABACUS 00004406</td>
</tr>
<tr>
<td>1608</td>
<td>GS MBS-E-016209254</td>
</tr>
<tr>
<td>1609</td>
<td>GS MBS-E-012683946</td>
</tr>
<tr>
<td>1615</td>
<td>GS MBS-E-014038810</td>
</tr>
<tr>
<td>1617</td>
<td>GS MBS-E-010879020</td>
</tr>
<tr>
<td>1619</td>
<td>GS-PSI-04064</td>
</tr>
<tr>
<td>1619</td>
<td>GS-PSI-04100</td>
</tr>
<tr>
<td>1621</td>
<td>GS MBS-E-003813259</td>
</tr>
<tr>
<td>1621</td>
<td>GS MBS-E-011187909</td>
</tr>
<tr>
<td>1622</td>
<td>GS MBS-E-013492538</td>
</tr>
<tr>
<td>1622</td>
<td>GS MBS-E-016087363</td>
</tr>
<tr>
<td>1623</td>
<td>GS MBS-E-012395893</td>
</tr>
<tr>
<td>1623</td>
<td>GS MBS-E-010931324</td>
</tr>
<tr>
<td>1625</td>
<td>GS MBS-E-002320968</td>
</tr>
<tr>
<td>1625</td>
<td>GS MBS-E-006576068</td>
</tr>
<tr>
<td>1627</td>
<td>GS MBS-E-010898470</td>
</tr>
<tr>
<td>1629</td>
<td>GS MBS-E-016445770</td>
</tr>
<tr>
<td>1637</td>
<td>GS MBS-E-001800707</td>
</tr>
<tr>
<td>1637</td>
<td>GS MBS-E-002640538</td>
</tr>
<tr>
<td>1637</td>
<td>GS MBS-E-001800683</td>
</tr>
<tr>
<td>1637</td>
<td>GS MBS-E-010989710</td>
</tr>
<tr>
<td>1646</td>
<td>GS MBS-E-009762506</td>
</tr>
<tr>
<td>1646</td>
<td>GS MBS-E-009688192</td>
</tr>
<tr>
<td>1650</td>
<td>GS MBS-E-010214409</td>
</tr>
<tr>
<td>1650</td>
<td>GS MBS-E-012746553</td>
</tr>
<tr>
<td>1650</td>
<td>GS MBS-E-012416173</td>
</tr>
<tr>
<td>1650</td>
<td>GS MBS-E-012776557</td>
</tr>
<tr>
<td>1656</td>
<td>GS MBS-E-01022328</td>
</tr>
<tr>
<td>1657</td>
<td>GS MBS-E-002631719</td>
</tr>
<tr>
<td>1658</td>
<td>GS MBS-E-010474983</td>
</tr>
<tr>
<td>1661</td>
<td>GS MBS-E-010267341</td>
</tr>
<tr>
<td>1661</td>
<td>GS MBS-E-011375519</td>
</tr>
<tr>
<td>1661</td>
<td>GS MBS-E-019794071</td>
</tr>
<tr>
<td>1665</td>
<td>GS MBS-E-021892369</td>
</tr>
<tr>
<td>1665</td>
<td>GS MBS-E-012474685</td>
</tr>
<tr>
<td>1666</td>
<td>GS MBS-E-010389296</td>
</tr>
<tr>
<td>1666</td>
<td>GS MBS-E-010378492</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>1679</td>
<td>GS MBS-E-009980807</td>
</tr>
<tr>
<td>1683</td>
<td>GS MBS-E-016165580</td>
</tr>
<tr>
<td>1685</td>
<td>GS MBS-E-010381411</td>
</tr>
<tr>
<td>1688</td>
<td>GS MBS-E-009757841</td>
</tr>
<tr>
<td>1688</td>
<td>GS MBS-E-017237596</td>
</tr>
<tr>
<td>1689</td>
<td>GS MBS-E-010381967</td>
</tr>
<tr>
<td>1693</td>
<td>GS MBS-E-011270138</td>
</tr>
<tr>
<td>1694</td>
<td>GS MBS-E-010987763</td>
</tr>
<tr>
<td>1695</td>
<td>GS MBS-E-002204942</td>
</tr>
<tr>
<td>1697</td>
<td>GS MBS-E-017250218</td>
</tr>
<tr>
<td>1699</td>
<td>GS MBS-E-018938493</td>
</tr>
<tr>
<td>1699</td>
<td>GS MBS-E-018940734</td>
</tr>
<tr>
<td>1699</td>
<td>GS MBS-E-012502371</td>
</tr>
<tr>
<td>1699</td>
<td>GS MBS-E-019460848</td>
</tr>
<tr>
<td>1699</td>
<td>GS MBS-E-010707216</td>
</tr>
<tr>
<td>1699</td>
<td>GS MBS-E-012523933</td>
</tr>
<tr>
<td>1699</td>
<td>GS MBS-E-012374026</td>
</tr>
<tr>
<td>1699</td>
<td>GS MBS-E-009739009</td>
</tr>
<tr>
<td>1702</td>
<td>GS MBS-E-010393092</td>
</tr>
<tr>
<td>1705</td>
<td>GS MBS-E-009623283</td>
</tr>
<tr>
<td>1707</td>
<td>GS MBS-E-010397102</td>
</tr>
<tr>
<td>1709</td>
<td>GS MBS-E-012890599</td>
</tr>
<tr>
<td>1716</td>
<td>GS MBS-E-010398072</td>
</tr>
<tr>
<td>1719</td>
<td>GS MBS-E-012085546</td>
</tr>
<tr>
<td>1721</td>
<td>GS MBS-E-002628642</td>
</tr>
<tr>
<td>1730</td>
<td>GS MBS-E-011106690</td>
</tr>
<tr>
<td>1732</td>
<td>GS MBS-E-002207710</td>
</tr>
<tr>
<td>1738</td>
<td>GS MBS-E-004516519</td>
</tr>
<tr>
<td>1742</td>
<td>GS MBS-E-012443115</td>
</tr>
<tr>
<td>1743</td>
<td>GS MBS-E-012561798</td>
</tr>
<tr>
<td>1746</td>
<td>GS MBS-E-021887795</td>
</tr>
<tr>
<td>1748</td>
<td>GS MBS-E-012570169</td>
</tr>
<tr>
<td>1750</td>
<td>GS MBS-E-012891722</td>
</tr>
<tr>
<td>1751</td>
<td>GS MBS-E-012443662</td>
</tr>
<tr>
<td>1752</td>
<td>GS MBS-0000039096</td>
</tr>
<tr>
<td>1753</td>
<td>GS MBS-E-012443675</td>
</tr>
<tr>
<td>1754</td>
<td>GS MBS-E-011184213</td>
</tr>
<tr>
<td>1755</td>
<td>GS MBS-E-012444252</td>
</tr>
<tr>
<td>1759</td>
<td>GS MBS-E-012551726</td>
</tr>
<tr>
<td>1760</td>
<td>GS MBS-E-012551460</td>
</tr>
<tr>
<td>1762</td>
<td>GS MBS-E-012445931</td>
</tr>
<tr>
<td>1763</td>
<td>GS MBS-E-018947548</td>
</tr>
<tr>
<td>1764</td>
<td>GS MBS-E-012445464</td>
</tr>
<tr>
<td>1765</td>
<td>GS MBS-E-012458169</td>
</tr>
<tr>
<td>1770</td>
<td>GS MBS-E-001920339</td>
</tr>
<tr>
<td>1770</td>
<td>GS MBS-E-003375593</td>
</tr>
<tr>
<td>1770</td>
<td>GS MBS-E-010798675</td>
</tr>
<tr>
<td>1770</td>
<td>GS MBS-E-009967117</td>
</tr>
<tr>
<td>1770</td>
<td>GS MBS-E-001916435</td>
</tr>
<tr>
<td>1770</td>
<td>GS MBS-E-001919600</td>
</tr>
<tr>
<td>1770</td>
<td>GS MBS-E-009747489</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>1771</td>
<td>GS MBS-E-0107965702</td>
</tr>
<tr>
<td>1773</td>
<td>GS MBS-E-012900708</td>
</tr>
<tr>
<td>1775</td>
<td>GS MBS-E-010857498</td>
</tr>
<tr>
<td>1778</td>
<td>GS MBS-E-010849103</td>
</tr>
<tr>
<td>1779</td>
<td>GS MBS-E-021890868</td>
</tr>
<tr>
<td>1780</td>
<td>GS MBS-E-021905440</td>
</tr>
<tr>
<td>1781</td>
<td>GS MBS-E-015654036</td>
</tr>
<tr>
<td>1781</td>
<td>GS MBS-E-015653681</td>
</tr>
<tr>
<td>1781</td>
<td>GS MBS-E-015712249</td>
</tr>
<tr>
<td>1783</td>
<td>GS MBS-E-011154528</td>
</tr>
<tr>
<td>1787</td>
<td>GS MBS-E-010876357</td>
</tr>
<tr>
<td>1792</td>
<td>GS MBS-E-001929202</td>
</tr>
<tr>
<td>1793</td>
<td>GS MBS-E-010619375</td>
</tr>
<tr>
<td>1798</td>
<td>GS MBS-E-011088957</td>
</tr>
<tr>
<td>1799</td>
<td>GS MBS-E-009840293</td>
</tr>
<tr>
<td>1801</td>
<td>GS MBS-E-010673906</td>
</tr>
<tr>
<td>1802</td>
<td>GS MBS-E-010681855</td>
</tr>
<tr>
<td>1803</td>
<td>GS MBS-E-010678428</td>
</tr>
<tr>
<td>1805</td>
<td>GS MBS-E-010681647</td>
</tr>
<tr>
<td>1807</td>
<td>GS MBS-E-010600183</td>
</tr>
<tr>
<td>1812</td>
<td>GS MBS-E-009741145</td>
</tr>
<tr>
<td>1814</td>
<td>GS MBS-E-009739836</td>
</tr>
<tr>
<td>1815</td>
<td>GS MBS-E-010608145</td>
</tr>
<tr>
<td>1817</td>
<td>GS MBS-E-010682736</td>
</tr>
<tr>
<td>1818</td>
<td>GS MBS-E-012606879</td>
</tr>
<tr>
<td>1820</td>
<td>GS MBS-E-009778573</td>
</tr>
<tr>
<td>1821</td>
<td>GS MBS-E-009640287</td>
</tr>
<tr>
<td>1824</td>
<td>GS MBS-E-012927140</td>
</tr>
<tr>
<td>1825</td>
<td>GS MBS-E-011311633</td>
</tr>
<tr>
<td>1827</td>
<td>GS MBS-E-012927200</td>
</tr>
<tr>
<td>1827</td>
<td>GS MBS-E-009993267</td>
</tr>
<tr>
<td>1829</td>
<td>GS MBS-E-009775575</td>
</tr>
<tr>
<td>1831</td>
<td>GS MBS-E-009779885</td>
</tr>
<tr>
<td>1832</td>
<td>GS MBS-E-010678553</td>
</tr>
<tr>
<td>1832</td>
<td>GS MBS-E-010619824</td>
</tr>
<tr>
<td>1833</td>
<td>GS MBS-E-009775568</td>
</tr>
<tr>
<td>1833</td>
<td>GS MBS-E-009756424</td>
</tr>
<tr>
<td>1838</td>
<td>GS MBS-E-010621234</td>
</tr>
<tr>
<td>1839</td>
<td>GS MBS-E-009643469</td>
</tr>
<tr>
<td>1840</td>
<td>GS MBS-E-009589083</td>
</tr>
<tr>
<td>1853</td>
<td>GS MBS-E-015863620</td>
</tr>
<tr>
<td>1858</td>
<td>GS MBS-E-010386051</td>
</tr>
<tr>
<td>1860</td>
<td>GS MBS-E-010674894</td>
</tr>
<tr>
<td>1860</td>
<td>GS MBS-E-010674895</td>
</tr>
<tr>
<td>1861</td>
<td>GS MBS-E-013693128</td>
</tr>
<tr>
<td>1864</td>
<td>GS MBS-E-012929469</td>
</tr>
<tr>
<td>1871</td>
<td>GS MBS-E-010630691</td>
</tr>
<tr>
<td>1871</td>
<td>GS MBS-E-010690522</td>
</tr>
<tr>
<td>1872</td>
<td>GS MBS-E-002211424</td>
</tr>
<tr>
<td>1872</td>
<td>GS MBS-E-010646842</td>
</tr>
<tr>
<td>1875</td>
<td>GS MBS-E-010671564</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>1881</td>
<td>GS MBS-E-009592726</td>
</tr>
<tr>
<td>1887</td>
<td>GS MBS-E-002202310</td>
</tr>
<tr>
<td>1891</td>
<td>GS MBS-E-012927202</td>
</tr>
<tr>
<td>1892</td>
<td>GS MBS-E-016344758</td>
</tr>
<tr>
<td>1905</td>
<td>GS MBS-E-009778897</td>
</tr>
<tr>
<td>1905</td>
<td>GS MBS-E-012868698</td>
</tr>
<tr>
<td>1905</td>
<td>GS MBS-E-009708690</td>
</tr>
<tr>
<td>1906</td>
<td>GS MBS-E-009742070</td>
</tr>
<tr>
<td>1914</td>
<td>GS MBS-E-011247689</td>
</tr>
<tr>
<td>1916</td>
<td>GS MBS-E-012927198</td>
</tr>
<tr>
<td>1918</td>
<td>GS MBS-E-009716432</td>
</tr>
<tr>
<td>1918</td>
<td>GS MBS-E-010374687</td>
</tr>
<tr>
<td>1919</td>
<td>GS MBS-E-009763394</td>
</tr>
<tr>
<td>1920</td>
<td>GS MBS-E-009724779</td>
</tr>
<tr>
<td>1920</td>
<td>GS MBS-E-009762741</td>
</tr>
<tr>
<td>1922</td>
<td>GS MBS-E-009720057</td>
</tr>
<tr>
<td>1922</td>
<td>GS MBS-E-009764683</td>
</tr>
<tr>
<td>1923</td>
<td>GS MBS-E-009762239</td>
</tr>
<tr>
<td>1925</td>
<td>GS MBS-E-009757430</td>
</tr>
<tr>
<td>1932</td>
<td>GS MBS-E-010680327</td>
</tr>
<tr>
<td>1935</td>
<td>GS MBS-E-010623720</td>
</tr>
<tr>
<td>1937</td>
<td>GS MBS-E-010388177</td>
</tr>
<tr>
<td>1951</td>
<td>GS MBS-E-010679220</td>
</tr>
<tr>
<td>1951</td>
<td>GS MBS-E-009740158</td>
</tr>
<tr>
<td>1954</td>
<td>GS MBS-E-009761640</td>
</tr>
<tr>
<td>1954</td>
<td>GS MBS-E-009714807</td>
</tr>
<tr>
<td>1954</td>
<td>GS MBS-E-009708872</td>
</tr>
<tr>
<td>1954</td>
<td>GS MBS-E-009717721</td>
</tr>
<tr>
<td>1954</td>
<td>GS MBS-E-009724040</td>
</tr>
<tr>
<td>1954</td>
<td>GS MBS-E-009707379</td>
</tr>
<tr>
<td>1956</td>
<td>GS MBS-E-009926240</td>
</tr>
<tr>
<td>1967</td>
<td>GS MBS-E-013668603</td>
</tr>
<tr>
<td>1979</td>
<td>GS MBS-E-009601759</td>
</tr>
<tr>
<td>1990</td>
<td>GS MBS-E-009653853</td>
</tr>
<tr>
<td>1990</td>
<td>GS MBS-E-009631348</td>
</tr>
<tr>
<td>1995</td>
<td>GS MBS-E-012962076</td>
</tr>
<tr>
<td>1998</td>
<td>GS MBS-E-009994305</td>
</tr>
<tr>
<td>1998</td>
<td>GS MBS-E-013746511</td>
</tr>
<tr>
<td>2009</td>
<td>GS MBS-E-010931223</td>
</tr>
<tr>
<td>2010</td>
<td>GS MBS-E-009582963</td>
</tr>
<tr>
<td>2013</td>
<td>GS MBS-E-002203268</td>
</tr>
<tr>
<td>2015</td>
<td>GS MBS-E-019164799</td>
</tr>
<tr>
<td>2017</td>
<td>GS MBS-E-002212223</td>
</tr>
<tr>
<td>2019</td>
<td>GS MBS-E-002620292</td>
</tr>
<tr>
<td>2019</td>
<td>GS MBS-E-000324999</td>
</tr>
<tr>
<td>2020</td>
<td>GS MBS-E-002640951</td>
</tr>
<tr>
<td>2020</td>
<td>GS MBS-E-009332408</td>
</tr>
<tr>
<td>2020</td>
<td>GS MBS-E-009685430</td>
</tr>
<tr>
<td>2022</td>
<td>GS MBS-E-010807091</td>
</tr>
<tr>
<td>2022</td>
<td>GS MBS-E-010626401</td>
</tr>
<tr>
<td>2029</td>
<td>GS MBS-E-009760380</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>2031 GS MBS-E-013411815</td>
<td>3916</td>
</tr>
<tr>
<td>2033 GS MBS-E-002195434</td>
<td>3917</td>
</tr>
<tr>
<td>2039 GS MBS-E-010387242</td>
<td>3919</td>
</tr>
<tr>
<td>2040 GS MBS-E-002048050</td>
<td>3920</td>
</tr>
<tr>
<td>2041 GS MBS-E-002211055</td>
<td>3923</td>
</tr>
<tr>
<td>2041 GS MBS-E-002134411</td>
<td>3924</td>
</tr>
<tr>
<td>2044 GS MBS-E-004641002</td>
<td>3927</td>
</tr>
<tr>
<td>2044 GS MBS-E-002135667</td>
<td>3929</td>
</tr>
<tr>
<td>2047 GS MBS-E-002207114</td>
<td>3930</td>
</tr>
<tr>
<td>2049 GS MBS-E-009860358</td>
<td>3931</td>
</tr>
<tr>
<td>2053 GS MBS-E-019645932</td>
<td>3934</td>
</tr>
<tr>
<td>2054 GS MBS-E-002131857</td>
<td>3935</td>
</tr>
<tr>
<td>2056 GS MBS-E-002201064</td>
<td>3936</td>
</tr>
<tr>
<td>2056 GS MBS-E-002201055</td>
<td>3943</td>
</tr>
<tr>
<td>2064 GS MBS-E-003220228</td>
<td>3944</td>
</tr>
<tr>
<td>2069 GS MBS-E-009799477</td>
<td>3948</td>
</tr>
<tr>
<td>2072 GS MBS-E-001866889</td>
<td>3952</td>
</tr>
<tr>
<td>2073 GS MBS-E-010848985</td>
<td>3953</td>
</tr>
<tr>
<td>2079 GS MBS-E-021895601</td>
<td>3954</td>
</tr>
<tr>
<td>2084 GS MBS-E-010732744</td>
<td>3955</td>
</tr>
<tr>
<td>2085 GS MBS-E-019648100</td>
<td>3957</td>
</tr>
<tr>
<td>2088 GS MBS-E-010649734</td>
<td>3958</td>
</tr>
<tr>
<td>2090 GS MBS-E-001862661</td>
<td>3960</td>
</tr>
<tr>
<td>2090 GS MBS-E-010787603</td>
<td>3961</td>
</tr>
<tr>
<td>2090 GS MBS-E-010971156</td>
<td>3981</td>
</tr>
<tr>
<td>2095 GS MBS-E-012504595</td>
<td>3982</td>
</tr>
<tr>
<td>2095 GS MBS-E-001996121</td>
<td>3983</td>
</tr>
<tr>
<td>2095 GS MBS-E-011057632</td>
<td>3985</td>
</tr>
<tr>
<td>2095 GS MBS-E-001865723</td>
<td>3986</td>
</tr>
<tr>
<td>2097 GS MBS-E-010973174</td>
<td>3988</td>
</tr>
<tr>
<td>2098 GS MBS-E-010973175</td>
<td>4007</td>
</tr>
<tr>
<td>2098 GS MBS-E-010952331</td>
<td>4008</td>
</tr>
<tr>
<td>2099 GS MBS-E-019654926</td>
<td>4026</td>
</tr>
<tr>
<td>2101 GS MBS-E-018921924</td>
<td>4044</td>
</tr>
<tr>
<td>2106 GS MBS-E-001934732</td>
<td>4046</td>
</tr>
<tr>
<td>2108 GS MBS-E-003305101</td>
<td>4048</td>
</tr>
<tr>
<td>2109 GS MBS-E-001865555</td>
<td>4050</td>
</tr>
<tr>
<td>2111 GS MBS-E-001934509</td>
<td>4052</td>
</tr>
<tr>
<td>2112 GS MBS-E-001914921</td>
<td>4053</td>
</tr>
<tr>
<td>2115 GS MBS-E-010803889</td>
<td>4055</td>
</tr>
<tr>
<td>2116 GS MBS-E-011212260</td>
<td>4059</td>
</tr>
<tr>
<td>2117 GS MBS-E-0111136832</td>
<td>4062</td>
</tr>
<tr>
<td>2117 GS MBS-E-011136832</td>
<td>4063</td>
</tr>
<tr>
<td>2119 GS MBS-E-001920459</td>
<td>4064</td>
</tr>
<tr>
<td>2123 GS MBS-E-001927791</td>
<td>4065</td>
</tr>
<tr>
<td>2124 GS MBS-E-011310717</td>
<td>4068</td>
</tr>
<tr>
<td>2125 GS MBS-E-001619382</td>
<td>4071</td>
</tr>
<tr>
<td>2125 GS MBS-E-011090928</td>
<td>4074</td>
</tr>
<tr>
<td>2126 GS MBS-E-010684858</td>
<td>4077</td>
</tr>
<tr>
<td>2129 GS MBS-E-010685200</td>
<td>4079</td>
</tr>
<tr>
<td>2130 GS-PSE-01310</td>
<td>4081</td>
</tr>
<tr>
<td>2133 GS MBS-E-002339552</td>
<td>4090</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>2133</td>
<td>GS MBS-E-001965860 4092</td>
</tr>
<tr>
<td>2133</td>
<td>GS MBS-E-003373736 4094</td>
</tr>
<tr>
<td>2136</td>
<td>GS MBS-E-013349723 4096</td>
</tr>
<tr>
<td>2136</td>
<td>GS MBS-E-010055302 4098</td>
</tr>
<tr>
<td>2136</td>
<td>GS MBS-E-009882064 4100</td>
</tr>
</tbody>
</table>

**VOLUME 5 - PART IV**

<table>
<thead>
<tr>
<th>Footnote</th>
<th>FN Exhibit Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>2146</td>
<td>GS MBS-E-011128623 4104</td>
</tr>
<tr>
<td>2147</td>
<td>GS MBS-E-010876595 4105</td>
</tr>
<tr>
<td>2148</td>
<td>GS MBS-E-010876565 4108</td>
</tr>
<tr>
<td>2149</td>
<td>GS MBS-E-010853931 4111</td>
</tr>
<tr>
<td>2150</td>
<td>GS MBS-E-009691545 4113</td>
</tr>
<tr>
<td>2152</td>
<td>GS MBS-E-010627779 4115</td>
</tr>
<tr>
<td>2163</td>
<td>GS MBS-E-010847490 4117</td>
</tr>
<tr>
<td>2164</td>
<td>GS MBS-E-011068490 4119</td>
</tr>
<tr>
<td>2165</td>
<td>GS MBS-E-001927891 4121</td>
</tr>
<tr>
<td>2167</td>
<td>GS MBS-E-001912408 4123</td>
</tr>
<tr>
<td>2169</td>
<td>GS MBS-E-013782989 4126</td>
</tr>
<tr>
<td>2173</td>
<td>GS MBS-E-002562148 4127</td>
</tr>
<tr>
<td>2185</td>
<td>GS MBS-E-012453706 4128</td>
</tr>
<tr>
<td>2186</td>
<td>GS MBS-E-001900255 4129</td>
</tr>
<tr>
<td>2188</td>
<td>GS MBS-E-016034495 4132</td>
</tr>
<tr>
<td>2190</td>
<td>GS MBS-E-001157934 4134</td>
</tr>
<tr>
<td>2199</td>
<td>GS MBS-E-002048050 4136</td>
</tr>
<tr>
<td>2202</td>
<td>GS MBS-E-001157942 4141</td>
</tr>
<tr>
<td>2207</td>
<td>GS MBS-E-013648130 4146</td>
</tr>
<tr>
<td>2215</td>
<td>GS MBS-E-000004337 4149</td>
</tr>
<tr>
<td>2217</td>
<td>GS MBS-E-012685289 4160</td>
</tr>
<tr>
<td>2217</td>
<td>GS MBS-E-000004472 4161</td>
</tr>
<tr>
<td>2218</td>
<td>GS MBS-E-010919930 4163</td>
</tr>
<tr>
<td>2220</td>
<td>GS MBS-E-009682590 4164</td>
</tr>
<tr>
<td>2221</td>
<td>GS MBS-E-009739145 4166</td>
</tr>
<tr>
<td>2221</td>
<td>GS MBS-E-000004468 4167</td>
</tr>
<tr>
<td>2221</td>
<td>GS MBS-E-012681410 4169</td>
</tr>
<tr>
<td>2221</td>
<td>GS MBS-E-009615593 4170</td>
</tr>
<tr>
<td>2223</td>
<td>GS MBS-E-012328199 4172</td>
</tr>
<tr>
<td>2226</td>
<td>GS MBS-E-012328194 4173</td>
</tr>
<tr>
<td>2228</td>
<td>GS MBS-E-012328203 4175</td>
</tr>
<tr>
<td>2231</td>
<td>GS MBS-E-018209595 4176</td>
</tr>
<tr>
<td>2239</td>
<td>GS MBS-E-012432742 4181</td>
</tr>
<tr>
<td>2241</td>
<td>GS MBS-E-012685645 4182</td>
</tr>
<tr>
<td>2242</td>
<td>GS MBS-E-010913416 4183</td>
</tr>
<tr>
<td>2243</td>
<td>GS MBS-E-012684557 4184</td>
</tr>
<tr>
<td>2244</td>
<td>GS MBS-E-017502983 4186</td>
</tr>
<tr>
<td>2245</td>
<td>GS MBS-E-011402123 4188</td>
</tr>
<tr>
<td>2245</td>
<td>GS MBS-E-011402442 4189</td>
</tr>
<tr>
<td>2251</td>
<td>GS MBS-E-012328848 4190</td>
</tr>
<tr>
<td>Footnote</td>
<td>GS MBS-E-014042217</td>
</tr>
<tr>
<td>----------</td>
<td>-------------------</td>
</tr>
<tr>
<td>2252</td>
<td>GS MBS-E-014042218</td>
</tr>
<tr>
<td>2252</td>
<td>GS MBS-E-014042220</td>
</tr>
<tr>
<td>2253</td>
<td>GS MBS-E-014367160</td>
</tr>
<tr>
<td>2253</td>
<td>GS MBS-E-014367161</td>
</tr>
<tr>
<td>2253</td>
<td>GS MBS-E-017504075</td>
</tr>
<tr>
<td>2266</td>
<td>GS MBS-E-012689798</td>
</tr>
<tr>
<td>2267</td>
<td>GS MBS-E-021822056</td>
</tr>
<tr>
<td>2270</td>
<td>GS MBS-E-010916991</td>
</tr>
<tr>
<td>2271</td>
<td>GS MBS 0000004474</td>
</tr>
<tr>
<td>2271</td>
<td>GS MBS 0000004476</td>
</tr>
<tr>
<td>2271</td>
<td>GS MBS 0000004478</td>
</tr>
<tr>
<td>2271</td>
<td>GS MBS 0000004484</td>
</tr>
<tr>
<td>2271</td>
<td>GS MBS-E-012695030</td>
</tr>
<tr>
<td>2272</td>
<td>GS MBS-E-009757821</td>
</tr>
<tr>
<td>2273</td>
<td>GS MBS-E-000066413</td>
</tr>
<tr>
<td>2274</td>
<td>GS MBS-E-000054856</td>
</tr>
<tr>
<td>2276</td>
<td>GS MBS-E-009557391</td>
</tr>
<tr>
<td>2277</td>
<td>GS MBS-E-018321286</td>
</tr>
<tr>
<td>2278</td>
<td>GS MBS-E-000030518</td>
</tr>
<tr>
<td>2289</td>
<td>GS MBS-E-006638833</td>
</tr>
<tr>
<td>2291</td>
<td>HUD-CDO-00005125</td>
</tr>
<tr>
<td>2292</td>
<td>GS MBS-E-013475756</td>
</tr>
<tr>
<td>2293</td>
<td>GS MBS-E-013870906</td>
</tr>
<tr>
<td>2298</td>
<td>GS MBS-E-009004603</td>
</tr>
<tr>
<td>2302</td>
<td>GS MBS-E-014335388</td>
</tr>
<tr>
<td>2304</td>
<td>GS MBS-E-014605918</td>
</tr>
<tr>
<td>2305</td>
<td>GS MBS-E-014597705</td>
</tr>
<tr>
<td>2306</td>
<td>GS MBS-E-009471708</td>
</tr>
<tr>
<td>2306</td>
<td>GS MBS-E-016473768</td>
</tr>
<tr>
<td>2307</td>
<td>GSC-CDO-FCIC-0029698</td>
</tr>
<tr>
<td>2307</td>
<td>GS MBS-E-000905571</td>
</tr>
<tr>
<td>2315</td>
<td>GS MBS-E-002220148</td>
</tr>
<tr>
<td>2320</td>
<td>GS MBS-E-018936137</td>
</tr>
<tr>
<td>2321</td>
<td>GS MBS-E-010383828</td>
</tr>
<tr>
<td>2331</td>
<td>GS MBS-E-015550657</td>
</tr>
<tr>
<td>2339</td>
<td>GS MBS-E-000855351</td>
</tr>
<tr>
<td>2340</td>
<td>GS MBS-E-000892557</td>
</tr>
<tr>
<td>2344</td>
<td>GS MBS-E-014419176</td>
</tr>
<tr>
<td>2353</td>
<td>GS MBS-E-021880171</td>
</tr>
<tr>
<td>2367</td>
<td>GS MBS-E-001927784</td>
</tr>
<tr>
<td>2369</td>
<td>GS MBS-E-010989241</td>
</tr>
<tr>
<td>2369</td>
<td>GS MBS-E-003361238</td>
</tr>
<tr>
<td>2393</td>
<td>GS MBS-E-001863725</td>
</tr>
<tr>
<td>2399</td>
<td>GS MBS-E-001125549</td>
</tr>
<tr>
<td>2403</td>
<td>GS MBS-E-012443166</td>
</tr>
<tr>
<td>2403</td>
<td>GS MBS-E-012443167</td>
</tr>
<tr>
<td>2406</td>
<td>GS MBS-E-001866482</td>
</tr>
<tr>
<td>2406</td>
<td>GS MBS-E-022023387</td>
</tr>
<tr>
<td>2406</td>
<td>GS MBS-E-010809241</td>
</tr>
<tr>
<td>2406</td>
<td>GS MBS-E-01095808</td>
</tr>
<tr>
<td>Footnote</td>
<td>FM Exhibit Page #</td>
</tr>
<tr>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>2409</td>
<td>GS MBS-E-001936955 4485</td>
</tr>
<tr>
<td>2410</td>
<td>GS MBS-E-001922156 4487</td>
</tr>
<tr>
<td>2412</td>
<td>JUL 006685 4489</td>
</tr>
<tr>
<td>2413</td>
<td>JUL 002027 4493</td>
</tr>
<tr>
<td>2415</td>
<td>GS MBS-E-002003102 4497</td>
</tr>
<tr>
<td>2417</td>
<td>GS MBS-E-001810225 4505</td>
</tr>
<tr>
<td>2417</td>
<td>GS MBS-E-001914580 4509</td>
</tr>
<tr>
<td>2418</td>
<td>GS MBS-E-001912398 4511</td>
</tr>
<tr>
<td>2419</td>
<td>PSI-Basis_Capital_Group-03-0001 4515</td>
</tr>
<tr>
<td>2419</td>
<td>GS MBS-E-000200252 4525</td>
</tr>
<tr>
<td>2424</td>
<td>GS MBS-E-002006149 4526</td>
</tr>
<tr>
<td>2425</td>
<td>GS MBS-E-001918603 4530</td>
</tr>
<tr>
<td>2426</td>
<td>PSI-Basis_Capital_Group-02-0001 4533</td>
</tr>
<tr>
<td>2430</td>
<td>GS MBS-E-001990127 4537</td>
</tr>
<tr>
<td>2433</td>
<td>GS MBS-E-001866391 4552</td>
</tr>
<tr>
<td>2436</td>
<td>GS MBS-E-010169281 4575</td>
</tr>
<tr>
<td>2438</td>
<td>GS MBS-E-013449641 4578</td>
</tr>
<tr>
<td>2439</td>
<td>JUL 0039558 4584</td>
</tr>
<tr>
<td>2442</td>
<td>GS MBS-E-001919861 4587</td>
</tr>
<tr>
<td>2445</td>
<td>GS MBS-E-010958182 4588</td>
</tr>
<tr>
<td>2452</td>
<td>GS MBS-E-010971809 4589</td>
</tr>
<tr>
<td>2453</td>
<td>GS MBS-E-001866144 4590</td>
</tr>
<tr>
<td>2458</td>
<td>GS MBS-E-010952698 4591</td>
</tr>
<tr>
<td>2459</td>
<td>GS MBS-E-012371112 4592</td>
</tr>
<tr>
<td>2462</td>
<td>GS MBS-E-001866752 4595</td>
</tr>
<tr>
<td>2464</td>
<td>GS MBS-E-003334218 4596</td>
</tr>
<tr>
<td>2464</td>
<td>GS MBS-E-001980637 4598</td>
</tr>
<tr>
<td>2465</td>
<td>GS MBS-E-011050254 4601</td>
</tr>
<tr>
<td>2466</td>
<td>GS MBS-E-0047373378 4602</td>
</tr>
<tr>
<td>2467</td>
<td>GS MBS-E-0111183045 4604</td>
</tr>
<tr>
<td>2468</td>
<td>GS MBS-E-001920215 4607</td>
</tr>
<tr>
<td>2469</td>
<td>GS MBS-E-001927885 4608</td>
</tr>
<tr>
<td>2472</td>
<td>GS MBS-E-013427046 4609</td>
</tr>
<tr>
<td>2473</td>
<td>GS MBS-E-001913775 4610</td>
</tr>
<tr>
<td>2474</td>
<td>GS MBS-E-010857643 4611</td>
</tr>
<tr>
<td>2474</td>
<td>GS MBS-E-010857644 4612</td>
</tr>
<tr>
<td>2483</td>
<td>GS MBS-E-002011152 4615</td>
</tr>
<tr>
<td>2485</td>
<td>GS MBS-E-0092095654 4617</td>
</tr>
<tr>
<td>2490</td>
<td>GS MBS-E-002055378 4619</td>
</tr>
<tr>
<td>2496</td>
<td>GS MBS-E-0033246145 4730</td>
</tr>
<tr>
<td>2497</td>
<td>GS MBS-0000022785 4733</td>
</tr>
<tr>
<td>2501</td>
<td>PSI-Paulson-04 (Pellegrini Depo)-0001 4739</td>
</tr>
<tr>
<td>2502</td>
<td>GS MBS-E-002534649 4754</td>
</tr>
<tr>
<td>2503</td>
<td>GS MBS-E-002480516 4756</td>
</tr>
<tr>
<td>2507</td>
<td>GS MBS-E-002526707 4757</td>
</tr>
<tr>
<td>2515</td>
<td>PSI-Paulson-04 (Shu Depo)-0001 4758</td>
</tr>
<tr>
<td>2515</td>
<td>PUALSON-ABACUS 0252736 4764</td>
</tr>
<tr>
<td>2515</td>
<td>GS MBS-E-002754054 4782</td>
</tr>
<tr>
<td>2517</td>
<td>GS MBS-E-007974381 4783</td>
</tr>
<tr>
<td>2519</td>
<td>GS MBS-E-003010587 4785</td>
</tr>
<tr>
<td>2522</td>
<td>PSI Chart: &quot;Abacus 2007-AC1 Reference Portfolio&quot; 4788</td>
</tr>
<tr>
<td>Footnote</td>
<td>Exhibit</td>
</tr>
<tr>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002483408</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002522389</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002480574</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002444359</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002620419</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-003026086</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002483499</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002483496</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-003062009</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002856966</td>
</tr>
<tr>
<td>2522</td>
<td>PAULSON-ABACUS 0253248</td>
</tr>
<tr>
<td>2522</td>
<td>GS MBS-E-002444961</td>
</tr>
<tr>
<td>2529</td>
<td>GS MBS-E-001918034</td>
</tr>
<tr>
<td>2530</td>
<td>GS MBS-E-002683134</td>
</tr>
<tr>
<td>2531</td>
<td>GS MBS-E-002648826</td>
</tr>
<tr>
<td>2535</td>
<td>ACA-ABACUS-0000121560</td>
</tr>
<tr>
<td>2536</td>
<td>ACA-ABACUS-00004171</td>
</tr>
<tr>
<td>2537</td>
<td>ACA-ABACUS-000006827</td>
</tr>
<tr>
<td>2540</td>
<td>GS MBS-E-003504901</td>
</tr>
<tr>
<td>2548</td>
<td>GS MBS-E-002483446</td>
</tr>
<tr>
<td>2548</td>
<td>PAULSON-ABACUS 0250401</td>
</tr>
<tr>
<td>2548</td>
<td>GS MBS-E-009516671</td>
</tr>
<tr>
<td>2549</td>
<td>ACA-ABACUS 00001593</td>
</tr>
<tr>
<td>2551</td>
<td>GS MBS-E-003352815</td>
</tr>
<tr>
<td>2551</td>
<td>GS MBS-E-002485172</td>
</tr>
<tr>
<td>2551</td>
<td>GS MBS-E-002461503</td>
</tr>
<tr>
<td>2552</td>
<td>GS MBS-E-002449178</td>
</tr>
<tr>
<td>2562</td>
<td>GS MBS-E-014055117</td>
</tr>
<tr>
<td>2566</td>
<td>GS MBS-E-013458155</td>
</tr>
<tr>
<td>2571</td>
<td>GS MBS-E-015240358</td>
</tr>
<tr>
<td>2574</td>
<td>GS MBS-E-001557869</td>
</tr>
<tr>
<td>2578</td>
<td>GS MBS-E-014338525</td>
</tr>
<tr>
<td>2583</td>
<td>GS MBS-E-015738973</td>
</tr>
<tr>
<td>2590</td>
<td>GS MBS-E-021876334</td>
</tr>
<tr>
<td>2591</td>
<td>HUD-CDO-00006877</td>
</tr>
<tr>
<td>2594</td>
<td>GS MBS-E-021876502</td>
</tr>
<tr>
<td>2596</td>
<td>GS MBS-E-021878556</td>
</tr>
<tr>
<td>2598</td>
<td>GS MBS-E-021876172</td>
</tr>
<tr>
<td>2603</td>
<td>GS MBS-E-022164848</td>
</tr>
<tr>
<td>2605</td>
<td>HUD-CDO-00004851</td>
</tr>
<tr>
<td>2606</td>
<td>HUD-CDO-00004852</td>
</tr>
<tr>
<td>2609</td>
<td>HUD-CDO-00006894</td>
</tr>
<tr>
<td>2609</td>
<td>GS MBS-E-021881029</td>
</tr>
<tr>
<td>2612</td>
<td>HUD-CDO-00004882</td>
</tr>
<tr>
<td>2615</td>
<td>HUD-CDO-00006881</td>
</tr>
<tr>
<td>2616</td>
<td>HUD-CDO-00004378</td>
</tr>
<tr>
<td>2616</td>
<td>GS MBS-E-022012805</td>
</tr>
<tr>
<td>2617</td>
<td>GS MBS-E-021880596</td>
</tr>
<tr>
<td>2618</td>
<td>HUD-CDO-00003155</td>
</tr>
<tr>
<td>2622</td>
<td>GS MBS-E-021825583</td>
</tr>
<tr>
<td>2627</td>
<td>GS MBS-E-010809664</td>
</tr>
<tr>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>2628</td>
<td>GS MBS-E-015192547 5319</td>
</tr>
<tr>
<td>2630</td>
<td>GS MBS-E-001912772 5321</td>
</tr>
<tr>
<td>2633</td>
<td>GS MBS-E-001866507 5322</td>
</tr>
<tr>
<td>2634</td>
<td>GS MBS-E-011178225 5324</td>
</tr>
<tr>
<td>2636</td>
<td>GS MBS-E-001989091 5325</td>
</tr>
<tr>
<td>2639</td>
<td>GS MBS-E-015232129 5327</td>
</tr>
<tr>
<td>2640</td>
<td>GS MBS-E-001867239 5329</td>
</tr>
<tr>
<td>2641</td>
<td>GS MBS-E-001992556 5330</td>
</tr>
<tr>
<td>2641</td>
<td>GS MBS-E-001930307 5341</td>
</tr>
<tr>
<td>2641</td>
<td>GS MBS-E-001930343 5353</td>
</tr>
<tr>
<td>2641</td>
<td>GS MBS-E-001930571 5367</td>
</tr>
<tr>
<td>2643</td>
<td>GS MBS-E-011273913 5374</td>
</tr>
<tr>
<td>2644</td>
<td>GS MBS-E-022138816 5375</td>
</tr>
<tr>
<td>2645</td>
<td>GS MBS-E-000765873 5377</td>
</tr>
<tr>
<td>2646</td>
<td>GW 107909 5382</td>
</tr>
<tr>
<td>2653</td>
<td>PSI email exchange with Goldman counsel (1/7/2011) 5388</td>
</tr>
<tr>
<td>2654</td>
<td>GS MBS-E-021881077 5390</td>
</tr>
<tr>
<td>2656</td>
<td>GS MBS-E-021881084 5397</td>
</tr>
<tr>
<td>2657</td>
<td>Statement submitted to PSI by Timothy Saunders (12/22/2010) 5404</td>
</tr>
<tr>
<td>2657</td>
<td>Statement submitted to PSI by Susan Helfrick (1/7/2011) 5405</td>
</tr>
<tr>
<td>2657</td>
<td>Statement submitted to PSI by Jordan Horvath (1/7/2011) 5406</td>
</tr>
<tr>
<td>2657</td>
<td>Statement submitted to PSI by David Lehman (1/26/2011) 5407</td>
</tr>
<tr>
<td>2659</td>
<td>GS MBS-E-000766641 5408</td>
</tr>
<tr>
<td>2661</td>
<td>GS MBS-E-000765854 5415</td>
</tr>
<tr>
<td>2663</td>
<td>GS MBS-E-000765316 5424</td>
</tr>
<tr>
<td>2664</td>
<td>GS MBS-E-000766538 5425</td>
</tr>
<tr>
<td>2664</td>
<td>GS MBS-E-013746516 5426</td>
</tr>
<tr>
<td>2665</td>
<td>GS MBS-E-022141026 5428</td>
</tr>
<tr>
<td>2666</td>
<td>GS MBS-E-015732147 5430</td>
</tr>
<tr>
<td>2667</td>
<td>GW 108645 5431</td>
</tr>
<tr>
<td>2684</td>
<td>GS MBS 0000035799 5432</td>
</tr>
<tr>
<td>2706</td>
<td>Transcript-Blankfein on CNBC Power Lunch (5/7/2010) 5455</td>
</tr>
<tr>
<td>2724</td>
<td>GS MBS-E-021825371 5460</td>
</tr>
<tr>
<td>2724</td>
<td>GS MBS-E-000912574 5672</td>
</tr>
<tr>
<td>2793</td>
<td>GS MBS-E-013821884 5830</td>
</tr>
<tr>
<td>2800</td>
<td>GS MBS-E-016187625 5831</td>
</tr>
<tr>
<td>2802</td>
<td>GS MBS-E-013797964 5833</td>
</tr>
<tr>
<td>2812</td>
<td>GS MBS-E-012568089 5835</td>
</tr>
<tr>
<td>2826</td>
<td>GS MBS-E-010898476 5837</td>
</tr>
<tr>
<td>2828</td>
<td>GS MBS-E-012511081 5839</td>
</tr>
<tr>
<td>2831</td>
<td>GS MBS-E-012444245 5840</td>
</tr>
</tbody>
</table>

**Additional Documents Related to Deutsche Bank**

5841

**Additional Document Related to Goldman Sachs**

5880
### Bates Locator List

<table>
<thead>
<tr>
<th>Bates Number or Document Description</th>
<th>Footnote</th>
<th>FN Exhibit Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACA ABACUS 00001592</td>
<td>2549</td>
<td>5230</td>
</tr>
<tr>
<td>ACA ABACUS 00004171</td>
<td>2536</td>
<td>5217</td>
</tr>
<tr>
<td>ACA ABACUS 00004406</td>
<td>1605</td>
<td>3355</td>
</tr>
<tr>
<td>ACA-ABACUS-0000006327</td>
<td>2537</td>
<td>5221</td>
</tr>
<tr>
<td>ACA-ABACUS-0000121560</td>
<td>2535</td>
<td>5210</td>
</tr>
<tr>
<td>Business Wire re: Washington Mutual</td>
<td>108</td>
<td>5</td>
</tr>
<tr>
<td>(10/2/2000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commerzbank counsel email to PSI</td>
<td>1490</td>
<td>2276</td>
</tr>
<tr>
<td>(12/7/2010)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DB PSI 00000027</td>
<td>1487</td>
<td>2218</td>
</tr>
<tr>
<td>DB PSI 00133516</td>
<td>1266</td>
<td>805</td>
</tr>
<tr>
<td>DB PSI 00236844</td>
<td>1357</td>
<td>1564</td>
</tr>
<tr>
<td>DB PSI 00237655</td>
<td>1266</td>
<td>785</td>
</tr>
<tr>
<td>DB PSI 00346491</td>
<td>1430</td>
<td>2093</td>
</tr>
<tr>
<td>DB PSI 00421609</td>
<td>1445</td>
<td>2137</td>
</tr>
<tr>
<td>DB PSI 00423053</td>
<td>1462</td>
<td>2165</td>
</tr>
<tr>
<td>DB PSI 00434692</td>
<td>1469</td>
<td>2183</td>
</tr>
<tr>
<td>DB PSI 00465462</td>
<td>1465</td>
<td>2175</td>
</tr>
<tr>
<td>DB PSI 00711305</td>
<td>1487</td>
<td>2271</td>
</tr>
<tr>
<td>DB PSI 00711305</td>
<td></td>
<td>5877</td>
</tr>
<tr>
<td>DB PSI 00711486</td>
<td>1470</td>
<td>2188</td>
</tr>
<tr>
<td>DB PSI 00741750</td>
<td>1468</td>
<td>2180</td>
</tr>
<tr>
<td>DB PSI 00842893</td>
<td></td>
<td>5845</td>
</tr>
<tr>
<td>DB PSI 00843917</td>
<td>1466</td>
<td>2176</td>
</tr>
<tr>
<td>DB PSI 00845552</td>
<td>1448</td>
<td>2140</td>
</tr>
<tr>
<td>DB PSI 00859611</td>
<td>1479</td>
<td>2201</td>
</tr>
<tr>
<td>DB PSI 01731794</td>
<td>1426</td>
<td>2090</td>
</tr>
<tr>
<td>DB PSI C00000001</td>
<td>1270</td>
<td>830</td>
</tr>
<tr>
<td>DB PSI C00000003</td>
<td>1258</td>
<td>770</td>
</tr>
<tr>
<td>DBSI 01201843</td>
<td>1262</td>
<td>5878</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 00048683</td>
<td>1274</td>
<td>835</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 00054826</td>
<td>1308</td>
<td>920</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 000502892</td>
<td>1301</td>
<td>875</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 00574452</td>
<td>1508</td>
<td>2287</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 00677668</td>
<td></td>
<td>5849</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 00686597</td>
<td>1325</td>
<td>1000</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 00966290</td>
<td>1274</td>
<td>834</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01073270</td>
<td>1275</td>
<td>836</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01075218</td>
<td>1422</td>
<td>2086</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01205520</td>
<td>1409</td>
<td>2076</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01208046</td>
<td></td>
<td>5850</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01282551</td>
<td>1289</td>
<td>866</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01291742</td>
<td></td>
<td>5866</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01314036</td>
<td>1423</td>
<td>2087</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01314036</td>
<td></td>
<td>5864</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01344930</td>
<td>1276</td>
<td>837</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01360329</td>
<td></td>
<td>5846</td>
</tr>
<tr>
<td>DBSI PSI EMAIL 01374694</td>
<td>1428</td>
<td>2092</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------</td>
<td>----------------</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01400135</td>
<td>1271</td>
<td>831</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01510642</td>
<td>1325</td>
<td>1005</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01528941</td>
<td>1277</td>
<td>841</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01603121</td>
<td>1496</td>
<td>2277</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01605465</td>
<td>1279</td>
<td>851</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01613062</td>
<td></td>
<td>5865</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01618236</td>
<td>1307</td>
<td>913</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01625848</td>
<td>963</td>
<td>509</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01628496</td>
<td>1290</td>
<td>867</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01634802</td>
<td>1280</td>
<td>853</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01641089</td>
<td>1496</td>
<td>2286</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01645016</td>
<td>1282</td>
<td>855</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01689001</td>
<td>1283</td>
<td>856</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01703708</td>
<td>1284</td>
<td>861</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01739417</td>
<td></td>
<td>5847</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01774820</td>
<td>1284</td>
<td>861</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01789868</td>
<td></td>
<td>5851</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01822045</td>
<td>1425</td>
<td>2089</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01831021</td>
<td>1425</td>
<td>2088</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01846000</td>
<td>1404</td>
<td>2075</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01853153</td>
<td>1400</td>
<td>2068</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01854608</td>
<td>1402</td>
<td>2074</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01863636</td>
<td>1418</td>
<td>2083</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01864446</td>
<td>1401</td>
<td>2069</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01866336</td>
<td>1285</td>
<td>863</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01867147</td>
<td>1339</td>
<td>1019</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01882188</td>
<td>1286</td>
<td>864</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01883072</td>
<td>1386</td>
<td>1691</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01886779</td>
<td>1380</td>
<td>1668</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01895617</td>
<td>1509</td>
<td>2288</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01910568</td>
<td>1419</td>
<td>2084</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01910590</td>
<td>1419</td>
<td>2085</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01933545</td>
<td></td>
<td>5857</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01961580</td>
<td>1401</td>
<td>2071</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01969867</td>
<td>1309</td>
<td>921</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01998000</td>
<td>1348</td>
<td>1492</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01998773</td>
<td>1314</td>
<td>925</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.01995184</td>
<td></td>
<td>5870</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02006853</td>
<td>1341</td>
<td>1025</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02007608</td>
<td>1456</td>
<td>2154</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02007794</td>
<td>1458</td>
<td>2155</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02008182</td>
<td>1455</td>
<td>2152</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02012170</td>
<td></td>
<td>5842</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02022054</td>
<td>1386</td>
<td>1697</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02027053</td>
<td>1340</td>
<td>1022</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02033845</td>
<td>1287</td>
<td>865</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02038599</td>
<td>1410</td>
<td>2081</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02041351</td>
<td>1293</td>
<td>868</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02064810</td>
<td>1479</td>
<td>2198</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL.02175343</td>
<td></td>
<td>5854</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02202920</td>
<td>1337</td>
<td>1018</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02228884</td>
<td>1281</td>
<td>854</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02255361</td>
<td>1283</td>
<td>858</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02333467</td>
<td>1326</td>
<td>1006</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02366193</td>
<td>1450</td>
<td>2141</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02376994</td>
<td></td>
<td>5843</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02377303</td>
<td>1481</td>
<td>2203</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02383117</td>
<td>1316</td>
<td>998</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02392659</td>
<td>1476</td>
<td>2195</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02412084</td>
<td>1414</td>
<td>2082</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02552265</td>
<td>1409</td>
<td>2077</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL02584591</td>
<td>1293</td>
<td>871</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL03970167</td>
<td>1327</td>
<td>1008</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL04045219</td>
<td>1441</td>
<td>2131</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL04045360</td>
<td>1452</td>
<td>2145</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL04047421</td>
<td>1453</td>
<td>2147</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL04049521</td>
<td>1454</td>
<td>2150</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL04054492</td>
<td>1455</td>
<td>2151</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL04055827</td>
<td>1459</td>
<td>2156</td>
</tr>
<tr>
<td>DBSI_PSI_EMAIL04056326</td>
<td>1342</td>
<td>1027</td>
</tr>
<tr>
<td>DBSI_PSI00117568</td>
<td>1439</td>
<td>2111</td>
</tr>
<tr>
<td>Dochow_Darel-00001364_001</td>
<td>626</td>
<td>259</td>
</tr>
<tr>
<td>Dochow_Darel-00076154_001</td>
<td>107</td>
<td>1</td>
</tr>
<tr>
<td>FDIC_WAMU_000003743</td>
<td>1119</td>
<td>654</td>
</tr>
<tr>
<td>FDIC-PSI-01-000009</td>
<td>632</td>
<td>263</td>
</tr>
<tr>
<td>Finn_Michael-00005331</td>
<td>275</td>
<td>60</td>
</tr>
<tr>
<td>Franklin_Benjamin_00035756_001 at 32</td>
<td>633</td>
<td>264</td>
</tr>
<tr>
<td>GEM7-00000001</td>
<td>1371</td>
<td>1642</td>
</tr>
<tr>
<td>GEM7-00000071</td>
<td>1375</td>
<td>1656</td>
</tr>
<tr>
<td>GEM7-00000090</td>
<td>1376</td>
<td>1675</td>
</tr>
<tr>
<td>GEM7-00000427</td>
<td>1343</td>
<td>1038</td>
</tr>
<tr>
<td>GEM7-00001089</td>
<td>1358</td>
<td>1591</td>
</tr>
<tr>
<td>GEM7-00001223</td>
<td>1359</td>
<td>1633</td>
</tr>
<tr>
<td>GEM7-00001657</td>
<td>1484</td>
<td>2217</td>
</tr>
<tr>
<td>GEM7-00001658</td>
<td>1484</td>
<td>2213</td>
</tr>
<tr>
<td>GEM7-00001687</td>
<td>1345</td>
<td>1428</td>
</tr>
<tr>
<td>GEM7-00001831</td>
<td>1353</td>
<td>1561</td>
</tr>
<tr>
<td>GEM7-00001958</td>
<td>1475</td>
<td>2194</td>
</tr>
<tr>
<td>GEM7-00001977</td>
<td>1379</td>
<td>1685</td>
</tr>
<tr>
<td>GEM7-00002154</td>
<td>1373</td>
<td>1652</td>
</tr>
<tr>
<td>GEM7-00002156</td>
<td>1446</td>
<td>2139</td>
</tr>
<tr>
<td>GEM7-00002805</td>
<td>1373</td>
<td>1653</td>
</tr>
<tr>
<td>GEM7-00003084</td>
<td>1471</td>
<td>2193</td>
</tr>
<tr>
<td>GEM7-00003101</td>
<td>1464</td>
<td>2174</td>
</tr>
<tr>
<td>GEM7-00003568</td>
<td>1351</td>
<td>1553</td>
</tr>
<tr>
<td>GEM7-00005480</td>
<td>1427</td>
<td>2091</td>
</tr>
<tr>
<td>GEM7-00006393</td>
<td>1440</td>
<td>2130</td>
</tr>
<tr>
<td>GEM7-00006900</td>
<td>1351</td>
<td>1554</td>
</tr>
<tr>
<td>GEM7-00007032</td>
<td></td>
<td>5855</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>Goldman Sachs counsel email to the Subcommittee regarding supplemental response to questions for the record (4/7/2011)</td>
<td>5881</td>
<td></td>
</tr>
<tr>
<td>GS MBS 0000004276</td>
<td>1542</td>
<td>2894</td>
</tr>
<tr>
<td>GS MBS 0000004337</td>
<td>2215</td>
<td>4149</td>
</tr>
<tr>
<td>GS MBS 0000004468</td>
<td>2221</td>
<td>4167</td>
</tr>
<tr>
<td>GS MBS 0000004472</td>
<td>2217</td>
<td>4161</td>
</tr>
<tr>
<td>GS MBS 0000004474</td>
<td>2271</td>
<td>4318</td>
</tr>
<tr>
<td>GS MBS 0000004476</td>
<td>2271</td>
<td>4320</td>
</tr>
<tr>
<td>GS MBS 0000004478</td>
<td>2271</td>
<td>4322</td>
</tr>
<tr>
<td>GS MBS 0000004484</td>
<td>2271</td>
<td>4324</td>
</tr>
<tr>
<td>GS MBS 0000021129</td>
<td>1542</td>
<td>2889</td>
</tr>
<tr>
<td>GS MBS 0000022785</td>
<td>2497</td>
<td>4733</td>
</tr>
<tr>
<td>GS MBS 0000035799</td>
<td>2684</td>
<td>5432</td>
</tr>
<tr>
<td>GS MBS 0000039096</td>
<td>1752</td>
<td>3628</td>
</tr>
<tr>
<td>GS MBS-E-000030518</td>
<td>2278</td>
<td>4333</td>
</tr>
<tr>
<td>GS MBS-E-000054856</td>
<td>2274</td>
<td>4330</td>
</tr>
<tr>
<td>GS MBS-E-000066413</td>
<td>2273</td>
<td>4329</td>
</tr>
<tr>
<td>GS MBS-E-000765316</td>
<td>2663</td>
<td>5424</td>
</tr>
<tr>
<td>GS MBS-E-000765854</td>
<td>2661</td>
<td>5415</td>
</tr>
<tr>
<td>GS MBS-E-000765873</td>
<td>2645</td>
<td>5377</td>
</tr>
<tr>
<td>GS MBS-E-000766338</td>
<td>2664</td>
<td>5425</td>
</tr>
<tr>
<td>GS MBS-E-000766414</td>
<td>2659</td>
<td>5408</td>
</tr>
<tr>
<td>GS MBS-E-000855351</td>
<td>2339</td>
<td>4365</td>
</tr>
<tr>
<td>GS MBS-E-000892557</td>
<td>2340</td>
<td>4402</td>
</tr>
<tr>
<td>GS MBS-E-000898037</td>
<td>1590</td>
<td>3209</td>
</tr>
<tr>
<td>GS MBS-E-000904603</td>
<td>2302</td>
<td>4347</td>
</tr>
<tr>
<td>GS MBS-E-000905571</td>
<td>2307</td>
<td>4357</td>
</tr>
<tr>
<td>GS MBS-E-000912574</td>
<td>2724</td>
<td>5672</td>
</tr>
<tr>
<td>GS MBS-E-001125549</td>
<td>2399</td>
<td>4458</td>
</tr>
<tr>
<td>GS MBS-E-001157934</td>
<td>2190</td>
<td>4134</td>
</tr>
<tr>
<td>GS MBS-E-001157942</td>
<td>2202</td>
<td>4141</td>
</tr>
<tr>
<td>GS MBS-E-001157869</td>
<td>2574</td>
<td>5254</td>
</tr>
<tr>
<td>GS MBS-E-001800634</td>
<td>1594</td>
<td>3213</td>
</tr>
<tr>
<td>GS MBS-E-001800683</td>
<td>1637</td>
<td>3484</td>
</tr>
<tr>
<td>GS MBS-E-001800707</td>
<td>1637</td>
<td>3480</td>
</tr>
<tr>
<td>GS MBS-E-001800707</td>
<td>1589</td>
<td>3202</td>
</tr>
<tr>
<td>GS MBS-E-00180225</td>
<td>2417</td>
<td>4505</td>
</tr>
<tr>
<td>GS MBS-E-001837256</td>
<td>1564</td>
<td>2943</td>
</tr>
<tr>
<td>GS MBS-E-001863555</td>
<td>2109</td>
<td>4052</td>
</tr>
<tr>
<td>GS MBS-E-001863618</td>
<td>1573</td>
<td>2955</td>
</tr>
<tr>
<td>GS MBS-E-001863651</td>
<td>2090</td>
<td>3961</td>
</tr>
<tr>
<td>GS MBS-E-001863725</td>
<td>2393</td>
<td>4457</td>
</tr>
<tr>
<td>GS MBS-E-001865723</td>
<td>2095</td>
<td>3988</td>
</tr>
<tr>
<td>GS MBS-E-001865782</td>
<td>1572</td>
<td>2951</td>
</tr>
<tr>
<td>GS MBS-E-001866144</td>
<td>2453</td>
<td>4590</td>
</tr>
<tr>
<td>GS MBS-E-001866391</td>
<td>2433</td>
<td>4552</td>
</tr>
<tr>
<td>GS MBS-E-001866482</td>
<td>2406</td>
<td>4463</td>
</tr>
<tr>
<td>GS MBS-E-001866507</td>
<td>2633</td>
<td>5322</td>
</tr>
<tr>
<td>GS MBS-E-001866752</td>
<td>2462</td>
<td>4595</td>
</tr>
<tr>
<td>GS MBS-E-001866889</td>
<td>2072</td>
<td>3953</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>GS MBS-E-001867239</td>
<td>2640</td>
<td>5329</td>
</tr>
<tr>
<td>GS MBS-E-001912398</td>
<td>2418</td>
<td>4511</td>
</tr>
<tr>
<td>GS MBS-E-001912408</td>
<td>2167</td>
<td>4123</td>
</tr>
<tr>
<td>GS MBS-E-001912772</td>
<td>2630</td>
<td>5321</td>
</tr>
<tr>
<td>GS MBS-E-001913775</td>
<td>2473</td>
<td>4610</td>
</tr>
<tr>
<td>GS MBS-E-001914580</td>
<td>2417</td>
<td>4509</td>
</tr>
<tr>
<td>GS MBS-E-001914921</td>
<td>2112</td>
<td>4055</td>
</tr>
<tr>
<td>GS MBS-E-001916435</td>
<td>1770</td>
<td>3657</td>
</tr>
<tr>
<td>GS MBS-E-001918034</td>
<td>2529</td>
<td>4813</td>
</tr>
<tr>
<td>GS MBS-E-001918603</td>
<td>2425</td>
<td>4530</td>
</tr>
<tr>
<td>GS MBS-E-001918722</td>
<td>1601</td>
<td>3218</td>
</tr>
<tr>
<td>GS MBS-E-001919600</td>
<td>1770</td>
<td>3660</td>
</tr>
<tr>
<td>GS MBS-E-001919861</td>
<td>2442</td>
<td>4587</td>
</tr>
<tr>
<td>GS MBS-E-001920215</td>
<td>2468</td>
<td>4607</td>
</tr>
<tr>
<td>GS MBS-E-001920339</td>
<td>1770</td>
<td>3652</td>
</tr>
<tr>
<td>GS MBS-E-001920459</td>
<td>2119</td>
<td>4064</td>
</tr>
<tr>
<td>GS MBS-E-001922156</td>
<td>2410</td>
<td>4487</td>
</tr>
<tr>
<td>GS MBS-E-001927784</td>
<td>2367</td>
<td>4449</td>
</tr>
<tr>
<td>GS MBS-E-001927791</td>
<td>2123</td>
<td>4065</td>
</tr>
<tr>
<td>GS MBS-E-001927858</td>
<td>2469</td>
<td>4608</td>
</tr>
<tr>
<td>GS MBS-E-001927891</td>
<td>2165</td>
<td>4121</td>
</tr>
<tr>
<td>GS MBS-E-001929202</td>
<td>1792</td>
<td>3695</td>
</tr>
<tr>
<td>GS MBS-E-001930307</td>
<td>2641</td>
<td>5341</td>
</tr>
<tr>
<td>GS MBS-E-001930343</td>
<td>2641</td>
<td>5353</td>
</tr>
<tr>
<td>GS MBS-E-001930571</td>
<td>2641</td>
<td>5367</td>
</tr>
<tr>
<td>GS MBS-E-001934058</td>
<td>2111</td>
<td>4053</td>
</tr>
<tr>
<td>GS MBS-E-001934732</td>
<td>2106</td>
<td>4048</td>
</tr>
<tr>
<td>GS MBS-E-001936955</td>
<td>2409</td>
<td>4485</td>
</tr>
<tr>
<td>GS MBS-E-001965860</td>
<td>2133</td>
<td>4022</td>
</tr>
<tr>
<td>GS MBS-E-001980637</td>
<td>2464</td>
<td>4598</td>
</tr>
<tr>
<td>GS MBS-E-001989091</td>
<td>2636</td>
<td>5325</td>
</tr>
<tr>
<td>GS MBS-E-001990127</td>
<td>2430</td>
<td>4537</td>
</tr>
<tr>
<td>GS MBS-E-001990255</td>
<td>2186</td>
<td>4129</td>
</tr>
<tr>
<td>GS MBS-E-001992556</td>
<td>2641</td>
<td>5330</td>
</tr>
<tr>
<td>GS MBS-E-001996121</td>
<td>2095</td>
<td>3985</td>
</tr>
<tr>
<td>GS MBS-E-002002522</td>
<td>2419</td>
<td>4525</td>
</tr>
<tr>
<td>GS MBS-E-002003102</td>
<td>2415</td>
<td>4497</td>
</tr>
<tr>
<td>GS MBS-E-002006149</td>
<td>2424</td>
<td>4526</td>
</tr>
<tr>
<td>GS MBS-E-002011152</td>
<td>2483</td>
<td>4615</td>
</tr>
<tr>
<td>GS MBS-E-002045021</td>
<td>1588</td>
<td>3196</td>
</tr>
<tr>
<td>GS MBS-E-002048050</td>
<td>2199</td>
<td>4136</td>
</tr>
<tr>
<td>GS MBS-E-002048050</td>
<td>2040</td>
<td>3920</td>
</tr>
<tr>
<td>GS MBS-E-002055378</td>
<td>2490</td>
<td>4619</td>
</tr>
<tr>
<td>GS MBS-E-002131857</td>
<td>2054</td>
<td>3935</td>
</tr>
<tr>
<td>GS MBS-E-002134411</td>
<td>2041</td>
<td>3925</td>
</tr>
<tr>
<td>GS MBS-E-002135667</td>
<td>2044</td>
<td>3929</td>
</tr>
<tr>
<td>GS MBS-E-002195434</td>
<td>2037</td>
<td>3917</td>
</tr>
<tr>
<td>GS MBS-E-002201055</td>
<td>2056</td>
<td>3944</td>
</tr>
<tr>
<td>GS MBS-E-002201064</td>
<td>2056</td>
<td>3943</td>
</tr>
<tr>
<td>GS MBS-E-002201486</td>
<td>2315</td>
<td>4358</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>GS MBS-E-004516519</td>
<td>1738</td>
<td>3615</td>
</tr>
<tr>
<td>GS MBS-E-004641002</td>
<td>2044</td>
<td>3927</td>
</tr>
<tr>
<td>GS MBS-E-004735378</td>
<td>2466</td>
<td>4602</td>
</tr>
<tr>
<td>GS MBS-E-005556331</td>
<td>1588</td>
<td>3194</td>
</tr>
<tr>
<td>GS MBS-E-006576068</td>
<td>1625</td>
<td>3467</td>
</tr>
<tr>
<td>GS MBS-E-006638833</td>
<td>2289</td>
<td>4335</td>
</tr>
<tr>
<td>GS MBS-E-007818849</td>
<td>1531</td>
<td>2793</td>
</tr>
<tr>
<td>GS MBS-E-007974381</td>
<td>2517</td>
<td>4783</td>
</tr>
<tr>
<td>GS MBS-E-009209654</td>
<td>2485</td>
<td>4617</td>
</tr>
<tr>
<td>GS MBS-E-009332408</td>
<td>2020</td>
<td>3909</td>
</tr>
<tr>
<td>GS MBS-E-009471708</td>
<td>2306</td>
<td>4353</td>
</tr>
<tr>
<td>GS MBS-E-009516671</td>
<td>2548</td>
<td>5229</td>
</tr>
<tr>
<td>GS MBS-E-009557391</td>
<td>2276</td>
<td>4331</td>
</tr>
<tr>
<td>GS MBS-E-009582963</td>
<td>2010</td>
<td>3895</td>
</tr>
<tr>
<td>GS MBS-E-009589083</td>
<td>1840</td>
<td>3745</td>
</tr>
<tr>
<td>GS MBS-E-009592726</td>
<td>1881</td>
<td>3810</td>
</tr>
<tr>
<td>GS MBS-E-009601759</td>
<td>1979</td>
<td>3880</td>
</tr>
<tr>
<td>GS MBS-E-009615593</td>
<td>2221</td>
<td>4170</td>
</tr>
<tr>
<td>GS MBS-E-009631348</td>
<td>1990</td>
<td>3883</td>
</tr>
<tr>
<td>GS MBS-E-009632839</td>
<td>1705</td>
<td>3575</td>
</tr>
<tr>
<td>GS MBS-E-009640287</td>
<td>1821</td>
<td>3722</td>
</tr>
<tr>
<td>GS MBS-E-009640293</td>
<td>1799</td>
<td>3703</td>
</tr>
<tr>
<td>GS MBS-E-009643469</td>
<td>1839</td>
<td>3744</td>
</tr>
<tr>
<td>GS MBS-E-009648684</td>
<td>5887</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-009648706</td>
<td>5888</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-009653853</td>
<td>1900</td>
<td>3881</td>
</tr>
<tr>
<td>GS MBS-E-009682590</td>
<td>2220</td>
<td>4164</td>
</tr>
<tr>
<td>GS MBS-E-009685430</td>
<td>2020</td>
<td>3910</td>
</tr>
<tr>
<td>GS MBS-E-009688192</td>
<td>1646</td>
<td>3489</td>
</tr>
<tr>
<td>GS MBS-E-009691545</td>
<td>2150</td>
<td>4113</td>
</tr>
<tr>
<td>GS MBS-E-009707379</td>
<td>1954</td>
<td>3866</td>
</tr>
<tr>
<td>GS MBS-E-009708690</td>
<td>1905</td>
<td>3821</td>
</tr>
<tr>
<td>GS MBS-E-009708872</td>
<td>1954</td>
<td>3860</td>
</tr>
<tr>
<td>GS MBS-E-009713204</td>
<td>1566</td>
<td>2946</td>
</tr>
<tr>
<td>GS MBS-E-009714807</td>
<td>1954</td>
<td>3858</td>
</tr>
<tr>
<td>GS MBS-E-009716432</td>
<td>1918</td>
<td>3827</td>
</tr>
<tr>
<td>GS MBS-E-009716460</td>
<td>1954</td>
<td>3852</td>
</tr>
<tr>
<td>GS MBS-E-009717721</td>
<td>1954</td>
<td>3862</td>
</tr>
<tr>
<td>GS MBS-E-009720035</td>
<td>1922</td>
<td>3835</td>
</tr>
<tr>
<td>GS MBS-E-009724040</td>
<td>1954</td>
<td>3864</td>
</tr>
<tr>
<td>GS MBS-E-009724779</td>
<td>1920</td>
<td>3831</td>
</tr>
<tr>
<td>GS MBS-E-009739009</td>
<td>1699</td>
<td>3573</td>
</tr>
<tr>
<td>GS MBS-E-0097391145</td>
<td>2221</td>
<td>4166</td>
</tr>
<tr>
<td>GS MBS-E-009739836</td>
<td>1814</td>
<td>3717</td>
</tr>
<tr>
<td>GS MBS-E-009740158</td>
<td>1951</td>
<td>3850</td>
</tr>
<tr>
<td>GS MBS-E-009741145</td>
<td>1812</td>
<td>3716</td>
</tr>
<tr>
<td>GS MBS-E-009742070</td>
<td>1906</td>
<td>3822</td>
</tr>
<tr>
<td>GS MBS-E-009747489</td>
<td>1770</td>
<td>3662</td>
</tr>
<tr>
<td>GS MBS-E-009756424</td>
<td>1833</td>
<td>3741</td>
</tr>
<tr>
<td>GS MBS-E-009756572</td>
<td>1555</td>
<td>2903</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>GS MBS-E-010626401</td>
<td>2022</td>
<td>3913</td>
</tr>
<tr>
<td>GS MBS-E-010630691</td>
<td>1871</td>
<td>3790</td>
</tr>
<tr>
<td>GS MBS-E-010646842</td>
<td>1872</td>
<td>3804</td>
</tr>
<tr>
<td>GS MBS-E-010649734</td>
<td>2088</td>
<td>3960</td>
</tr>
<tr>
<td>GS MBS-E-010671564</td>
<td>1875</td>
<td>3806</td>
</tr>
<tr>
<td>GS MBS-E-010673306</td>
<td>1801</td>
<td>3704</td>
</tr>
<tr>
<td>GS MBS-E-010674894</td>
<td>1860</td>
<td>3757</td>
</tr>
<tr>
<td>GS MBS-E-010674895</td>
<td>1860</td>
<td>3758</td>
</tr>
<tr>
<td>GS MBS-E-010678428</td>
<td>1803</td>
<td>3707</td>
</tr>
<tr>
<td>GS MBS-E-010679553</td>
<td>1382</td>
<td>3736</td>
</tr>
<tr>
<td>GS MBS-E-010679220</td>
<td>1951</td>
<td>3849</td>
</tr>
<tr>
<td>GS MBS-E-010680327</td>
<td>1932</td>
<td>3843</td>
</tr>
<tr>
<td>GS MBS-E-010681647</td>
<td>1805</td>
<td>5882</td>
</tr>
<tr>
<td>GS MBS-E-010681885</td>
<td>1802</td>
<td>3705</td>
</tr>
<tr>
<td>GS MBS-E-010682736</td>
<td>1817</td>
<td>3719</td>
</tr>
<tr>
<td>GS MBS-E-010684858</td>
<td>2126</td>
<td>4077</td>
</tr>
<tr>
<td>GS MBS-E-010685200</td>
<td>2129</td>
<td>4079</td>
</tr>
<tr>
<td>GS MBS-E-010690522</td>
<td>1871</td>
<td>3792</td>
</tr>
<tr>
<td>GS MBS-E-010703744</td>
<td>2084</td>
<td>3957</td>
</tr>
<tr>
<td>GS MBS-E-010707216</td>
<td>1699</td>
<td>3569</td>
</tr>
<tr>
<td>GS MBS-E-010780864</td>
<td>1575</td>
<td>2960</td>
</tr>
<tr>
<td>GS MBS-E-010787603</td>
<td>2090</td>
<td>3981</td>
</tr>
<tr>
<td>GS MBS-E-010795308</td>
<td>2406</td>
<td>4482</td>
</tr>
<tr>
<td>GS MBS-E-010796702</td>
<td>1771</td>
<td>3666</td>
</tr>
<tr>
<td>GS MBS-E-010798675</td>
<td>1770</td>
<td>3654</td>
</tr>
<tr>
<td>GS MBS-E-010803889</td>
<td>2115</td>
<td>4059</td>
</tr>
<tr>
<td>GS MBS-E-010807091</td>
<td>2022</td>
<td>3911</td>
</tr>
<tr>
<td>GS MBS-E-010808964</td>
<td>2627</td>
<td>5315</td>
</tr>
<tr>
<td>GS MBS-E-010809241</td>
<td>2406</td>
<td>4473</td>
</tr>
<tr>
<td>GS MBS-E-010847490</td>
<td>2163</td>
<td>4117</td>
</tr>
<tr>
<td>GS MBS-E-010848985</td>
<td>2073</td>
<td>3954</td>
</tr>
<tr>
<td>GS MBS-E-010849103</td>
<td>1778</td>
<td>3672</td>
</tr>
<tr>
<td>GS MBS-E-010853931</td>
<td>2149</td>
<td>4111</td>
</tr>
<tr>
<td>GS MBS-E-010857498</td>
<td>1775</td>
<td>3669</td>
</tr>
<tr>
<td>GS MBS-E-010857643</td>
<td>2474</td>
<td>4611</td>
</tr>
<tr>
<td>GS MBS-E-010857644</td>
<td>2474</td>
<td>4612</td>
</tr>
<tr>
<td>GS MBS-E-010872812</td>
<td>1539</td>
<td>2795</td>
</tr>
<tr>
<td>GS MBS-E-010876357</td>
<td>1787</td>
<td>3693</td>
</tr>
<tr>
<td>GS MBS-E-010876565</td>
<td>2148</td>
<td>4108</td>
</tr>
<tr>
<td>GS MBS-E-010876595</td>
<td>2147</td>
<td>4105</td>
</tr>
<tr>
<td>GS MBS-E-010879020</td>
<td>1617</td>
<td>3372</td>
</tr>
<tr>
<td>GS MBS-E-010898470</td>
<td>1627</td>
<td>3476</td>
</tr>
<tr>
<td>GS MBS-E-010898476</td>
<td>2826</td>
<td>5837</td>
</tr>
<tr>
<td>GS MBS-E-010913416</td>
<td>2242</td>
<td>4183</td>
</tr>
<tr>
<td>GS MBS-E-010916991</td>
<td>2270</td>
<td>4317</td>
</tr>
<tr>
<td>GS MBS-E-010917469</td>
<td>1553</td>
<td>2901</td>
</tr>
<tr>
<td>GS MBS-E-010919930</td>
<td>2218</td>
<td>4163</td>
</tr>
<tr>
<td>GS MBS-E-010931233</td>
<td>2009</td>
<td>3893</td>
</tr>
<tr>
<td>GS MBS-E-010931324</td>
<td>1623</td>
<td>3450</td>
</tr>
<tr>
<td>GS MBS-E-010951926</td>
<td>1576</td>
<td>2986</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>GS MBS-E-012444245</td>
<td>2831</td>
<td>5840</td>
</tr>
<tr>
<td>GS MBS-E-012444252</td>
<td>1755</td>
<td>3642</td>
</tr>
<tr>
<td>GS MBS-E-012444504</td>
<td>1764</td>
<td>3650</td>
</tr>
<tr>
<td>GS MBS-E-012445931</td>
<td>1762</td>
<td>3646</td>
</tr>
<tr>
<td>GS MBS-E-012458169</td>
<td>1765</td>
<td>3651</td>
</tr>
<tr>
<td>GS MBS-E-012474685</td>
<td>1663</td>
<td>3544</td>
</tr>
<tr>
<td>GS MBS-E-012502371</td>
<td>1699</td>
<td>3566</td>
</tr>
<tr>
<td>GS MBS-E-012504595</td>
<td>2095</td>
<td>3983</td>
</tr>
<tr>
<td>GS MBS-E-012511081</td>
<td>2828</td>
<td>5839</td>
</tr>
<tr>
<td>GS MBS-E-012523933</td>
<td>1699</td>
<td>3570</td>
</tr>
<tr>
<td>GS MBS-E-012551460</td>
<td>1760</td>
<td>3644</td>
</tr>
<tr>
<td>GS MBS-E-012551726</td>
<td>1759</td>
<td>3643</td>
</tr>
<tr>
<td>GS MBS-E-012553986</td>
<td>1597</td>
<td>3216</td>
</tr>
<tr>
<td>GS MBS-E-012561798</td>
<td>1743</td>
<td>3619</td>
</tr>
<tr>
<td>GS MBS-E-012568089</td>
<td>2812</td>
<td>5835</td>
</tr>
<tr>
<td>GS MBS-E-012570169</td>
<td>1748</td>
<td>3622</td>
</tr>
<tr>
<td>GS MBS-E-012606879</td>
<td>1818</td>
<td>3720</td>
</tr>
<tr>
<td>GS MBS-E-012681410</td>
<td>2221</td>
<td>4169</td>
</tr>
<tr>
<td>GS MBS-E-012683946</td>
<td>1609</td>
<td>3361</td>
</tr>
<tr>
<td>GS MBS-E-012684557</td>
<td>2243</td>
<td>4184</td>
</tr>
<tr>
<td>GS MBS-E-012685289</td>
<td>2217</td>
<td>4160</td>
</tr>
<tr>
<td>GS MBS-E-012685645</td>
<td>2241</td>
<td>4182</td>
</tr>
<tr>
<td>GS MBS-E-012689798</td>
<td>2266</td>
<td>4233</td>
</tr>
<tr>
<td>GS MBS-E-012695030</td>
<td>2271</td>
<td>4326</td>
</tr>
<tr>
<td>GS MBS-E-012744553</td>
<td>1650</td>
<td>3496</td>
</tr>
<tr>
<td>GS MBS-E-012776557</td>
<td>1650</td>
<td>3505</td>
</tr>
<tr>
<td>GS MBS-E-012868698</td>
<td>1905</td>
<td>3820</td>
</tr>
<tr>
<td>GS MBS-E-012890599</td>
<td>1709</td>
<td>3578</td>
</tr>
<tr>
<td>GS MBS-E-012891722</td>
<td>1750</td>
<td>3624</td>
</tr>
<tr>
<td>GS MBS-E-012900708</td>
<td>1773</td>
<td>3667</td>
</tr>
<tr>
<td>GS MBS-E-012927114</td>
<td>1824</td>
<td>3725</td>
</tr>
<tr>
<td>GS MBS-E-012927198</td>
<td>1916</td>
<td>3825</td>
</tr>
<tr>
<td>GS MBS-E-012927200</td>
<td>1827</td>
<td>3729</td>
</tr>
<tr>
<td>GS MBS-E-012927202</td>
<td>1891</td>
<td>3814</td>
</tr>
<tr>
<td>GS MBS-E-012929469</td>
<td>1864</td>
<td>3788</td>
</tr>
<tr>
<td>GS MBS-E-012962076</td>
<td>1995</td>
<td>3885</td>
</tr>
<tr>
<td>GS MBS-E-013349723</td>
<td>2136</td>
<td>4096</td>
</tr>
<tr>
<td>GS MBS-E-013411815</td>
<td>2031</td>
<td>3916</td>
</tr>
<tr>
<td>GS MBS-E-013427046</td>
<td>2472</td>
<td>4609</td>
</tr>
<tr>
<td>GS MBS-E-013449641</td>
<td>2438</td>
<td>4578</td>
</tr>
<tr>
<td>GS MBS-E-013458155</td>
<td>2566</td>
<td>5244</td>
</tr>
<tr>
<td>GS MBS-E-013475756</td>
<td>2295</td>
<td>4338</td>
</tr>
<tr>
<td>GS MBS-E-013492538</td>
<td>1622</td>
<td>3419</td>
</tr>
<tr>
<td>GS MBS-E-013648130</td>
<td>2207</td>
<td>4146</td>
</tr>
<tr>
<td>GS MBS-E-013668603</td>
<td>1967</td>
<td>3868</td>
</tr>
<tr>
<td>GS MBS-E-013691228</td>
<td>1861</td>
<td>3759</td>
</tr>
<tr>
<td>GS MBS-E-013746511</td>
<td>1998</td>
<td>3892</td>
</tr>
<tr>
<td>GS MBS-E-013746516</td>
<td>2664</td>
<td>5426</td>
</tr>
<tr>
<td>GS MBS-E-013782989</td>
<td>2169</td>
<td>4126</td>
</tr>
<tr>
<td>GS MBS-E-013797964</td>
<td>2802</td>
<td>5833</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>GS MBS-E-013821884</td>
<td>2793</td>
<td>5830</td>
</tr>
<tr>
<td>GS MBS-E-013870906</td>
<td>2298</td>
<td>4345</td>
</tr>
<tr>
<td>GS MBS-E-014038810</td>
<td>1615</td>
<td>3363</td>
</tr>
<tr>
<td>GS MBS-E-014042217</td>
<td>2252</td>
<td>4191</td>
</tr>
<tr>
<td>GS MBS-E-014042218</td>
<td>2252</td>
<td>4192</td>
</tr>
<tr>
<td>GS MBS-E-014042220</td>
<td>2252</td>
<td>4194</td>
</tr>
<tr>
<td>GS MBS-E-014055117</td>
<td>2562</td>
<td>5242</td>
</tr>
<tr>
<td>GS MBS-E-014333388</td>
<td>2302</td>
<td>4349</td>
</tr>
<tr>
<td>GS MBS-E-014338525</td>
<td>2578</td>
<td>5259</td>
</tr>
<tr>
<td>GS MBS-E-014367160</td>
<td>2253</td>
<td>4195</td>
</tr>
<tr>
<td>GS MBS-E-014367161</td>
<td>2253</td>
<td>4196</td>
</tr>
<tr>
<td>GS MBS-E-014419176</td>
<td>2344</td>
<td>4444</td>
</tr>
<tr>
<td>GS MBS-E-014597705</td>
<td>2305</td>
<td>4352</td>
</tr>
<tr>
<td>GS MBS-E-014605918</td>
<td>2304</td>
<td>4351</td>
</tr>
<tr>
<td>GS MBS-E-015192547</td>
<td>2628</td>
<td>5319</td>
</tr>
<tr>
<td>GS MBS-E-015232129</td>
<td>2639</td>
<td>5327</td>
</tr>
<tr>
<td>GS MBS-E-015240358</td>
<td>2571</td>
<td>5253</td>
</tr>
<tr>
<td>GS MBS-E-015506937</td>
<td>2331</td>
<td>4363</td>
</tr>
<tr>
<td>GS MBS-E-015646485</td>
<td>1515</td>
<td>2782</td>
</tr>
<tr>
<td>GS MBS-E-015653681</td>
<td>1781</td>
<td>3690</td>
</tr>
<tr>
<td>GS MBS-E-015654036</td>
<td>1781</td>
<td>3675</td>
</tr>
<tr>
<td>GS MBS-E-015712249</td>
<td>1781</td>
<td>3691</td>
</tr>
<tr>
<td>GS MBS-E-015732147</td>
<td>2666</td>
<td>5430</td>
</tr>
<tr>
<td>GS MBS-E-015738973</td>
<td>2583</td>
<td>5262</td>
</tr>
<tr>
<td>GS MBS-E-015863620</td>
<td>1853</td>
<td>3748</td>
</tr>
<tr>
<td>GS MBS-E-016034495</td>
<td>2188</td>
<td>4132</td>
</tr>
<tr>
<td>GS MBS-E-016067482</td>
<td>1601</td>
<td>3269</td>
</tr>
<tr>
<td>GS MBS-E-016087363</td>
<td>1622</td>
<td>3447</td>
</tr>
<tr>
<td>GS MBS-E-016165580</td>
<td>1683</td>
<td>3551</td>
</tr>
<tr>
<td>GS MBS-E-016165784</td>
<td>1553</td>
<td>2902</td>
</tr>
<tr>
<td>GS MBS-E-016187625</td>
<td>2800</td>
<td>5831</td>
</tr>
<tr>
<td>GS MBS-E-016209254</td>
<td>1608</td>
<td>3360</td>
</tr>
<tr>
<td>GS MBS-E-016344758</td>
<td>1892</td>
<td>3816</td>
</tr>
<tr>
<td>GS MBS-E-016445770</td>
<td>1629</td>
<td>3478</td>
</tr>
<tr>
<td>GS MBS-E-016473768</td>
<td>2306</td>
<td>4355</td>
</tr>
<tr>
<td>GS MBS-E-017223796</td>
<td>1688</td>
<td>3554</td>
</tr>
<tr>
<td>GS MBS-E-017250218</td>
<td>1697</td>
<td>3561</td>
</tr>
<tr>
<td>GS MBS-E-017502983</td>
<td>2244</td>
<td>4186</td>
</tr>
<tr>
<td>GS MBS-E-017504075</td>
<td>2253</td>
<td>4232</td>
</tr>
<tr>
<td>GS MBS-E-018209595</td>
<td>2231</td>
<td>4176</td>
</tr>
<tr>
<td>GS MBS-E-018321286</td>
<td>2277</td>
<td>4332</td>
</tr>
<tr>
<td>GS MBS-E-018921924</td>
<td>2101</td>
<td>4046</td>
</tr>
<tr>
<td>GS MBS-E-018936137</td>
<td>2320</td>
<td>4359</td>
</tr>
<tr>
<td>GS MBS-E-018938493</td>
<td>1699</td>
<td>3562</td>
</tr>
<tr>
<td>GS MBS-E-018940734</td>
<td>1699</td>
<td>3564</td>
</tr>
<tr>
<td>GS MBS-E-018947548</td>
<td>1763</td>
<td>3647</td>
</tr>
<tr>
<td>GS MBS-E-019164799</td>
<td>2015</td>
<td>3899</td>
</tr>
<tr>
<td>GS MBS-E-019164806</td>
<td>1593</td>
<td>3211</td>
</tr>
<tr>
<td>GS MBS-E-019460848</td>
<td>1699</td>
<td>3567</td>
</tr>
<tr>
<td>GS MBS-E-019642797</td>
<td>1574</td>
<td>2959</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>GS MBS-E-010645932</td>
<td>2053</td>
<td>3934</td>
</tr>
<tr>
<td>GS MBS-E-010648100</td>
<td>2085</td>
<td>3958</td>
</tr>
<tr>
<td>GS MBS-E-010654026</td>
<td>2099</td>
<td>4044</td>
</tr>
<tr>
<td>GS MBS-E-010659221</td>
<td>1571</td>
<td>2950</td>
</tr>
<tr>
<td>GS MBS-E-010794071</td>
<td>1661</td>
<td>3540</td>
</tr>
<tr>
<td>GS MBS-E-021821196</td>
<td>1584</td>
<td>3004</td>
</tr>
<tr>
<td>GS MBS-E-021822056</td>
<td>2267</td>
<td>4234</td>
</tr>
<tr>
<td>GS MBS-E-021823371</td>
<td>2724</td>
<td>5460</td>
</tr>
<tr>
<td>GS MBS-E-021825583</td>
<td>2622</td>
<td>5306</td>
</tr>
<tr>
<td>GS MBS-E-021876172</td>
<td>2598</td>
<td>5275</td>
</tr>
<tr>
<td>GS MBS-E-021876334</td>
<td>2590</td>
<td>5267</td>
</tr>
<tr>
<td>GS MBS-E-021876502</td>
<td>2594</td>
<td>5273</td>
</tr>
<tr>
<td>GS MBS-E-021878556</td>
<td>2596</td>
<td>5274</td>
</tr>
<tr>
<td>GS MBS-E-021880171</td>
<td>2353</td>
<td>4445</td>
</tr>
<tr>
<td>GS MBS-E-021880596</td>
<td>2617</td>
<td>5302</td>
</tr>
<tr>
<td>GS MBS-E-021881029</td>
<td>2609</td>
<td>5296</td>
</tr>
<tr>
<td>GS MBS-E-021881077</td>
<td>2654</td>
<td>5390</td>
</tr>
<tr>
<td>GS MBS-E-021881084</td>
<td>2656</td>
<td>5397</td>
</tr>
<tr>
<td>GS MBS-E-021887795</td>
<td>1746</td>
<td>3621</td>
</tr>
<tr>
<td>GS MBS-E-021890068</td>
<td>1779</td>
<td>3673</td>
</tr>
<tr>
<td>GS MBS-E-021893369</td>
<td>1663</td>
<td>3541</td>
</tr>
<tr>
<td>GS MBS-E-021895601</td>
<td>2079</td>
<td>3955</td>
</tr>
<tr>
<td>GS MBS-E-021905440</td>
<td>1780</td>
<td>3674</td>
</tr>
<tr>
<td>GS MBS-E-022012805</td>
<td>2616</td>
<td>5301</td>
</tr>
<tr>
<td>GS MBS-E-022023387</td>
<td>2406</td>
<td>4472</td>
</tr>
<tr>
<td>GS MBS-E-022138816</td>
<td>2644</td>
<td>5375</td>
</tr>
<tr>
<td>GS MBS-E-022141026</td>
<td>2665</td>
<td>5428</td>
</tr>
<tr>
<td>GS MBS-E-022164848</td>
<td>2603</td>
<td>5276</td>
</tr>
<tr>
<td>GS MBS-E-023604868</td>
<td>5895</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023604874</td>
<td>5897</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023604914</td>
<td>5898</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023604917</td>
<td>5899</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023604918</td>
<td>5900</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605099</td>
<td>5889</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605102</td>
<td>5890</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605104</td>
<td>5891</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605107</td>
<td>5892</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605108</td>
<td>5893</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605114</td>
<td>5894</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605301</td>
<td>5901</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605304</td>
<td>5902</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-023605308</td>
<td>5903</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-099775568</td>
<td>1833</td>
<td>3740</td>
</tr>
<tr>
<td>OSC-CDO-FCIC-0029698</td>
<td>2307</td>
<td>4356</td>
</tr>
<tr>
<td>GS-PSI-00172</td>
<td>1541</td>
<td>2796</td>
</tr>
<tr>
<td>GS-PSI-01310</td>
<td>2130</td>
<td>4081</td>
</tr>
<tr>
<td>GS-PSI-01357</td>
<td>1561</td>
<td>2930</td>
</tr>
<tr>
<td>GS-PSI-04064</td>
<td>1619</td>
<td>3374</td>
</tr>
<tr>
<td>GS-PSI-04100</td>
<td>1619</td>
<td>3394</td>
</tr>
<tr>
<td>GW 107909</td>
<td>2646</td>
<td>5382</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>GW 108645</td>
<td>2667</td>
<td>5431</td>
</tr>
<tr>
<td>HBK's counsel letter to PSI (10/12/2010)</td>
<td>1383</td>
<td>1688</td>
</tr>
<tr>
<td>HBK's counsel letter to PSI (8/20/2010)</td>
<td>1352</td>
<td>1555</td>
</tr>
<tr>
<td>HUD-CDO-00003155</td>
<td>2618</td>
<td>5303</td>
</tr>
<tr>
<td>HUD-CDO-00004378</td>
<td>2616</td>
<td>5300</td>
</tr>
<tr>
<td>HUD-CDO-00004851</td>
<td>2605</td>
<td>5278</td>
</tr>
<tr>
<td>HUD-CDO-00004852</td>
<td>2606</td>
<td>5279</td>
</tr>
<tr>
<td>HUD-CDO-00004882</td>
<td>2612</td>
<td>5297</td>
</tr>
<tr>
<td>HUD-CDO-00005125</td>
<td>2291</td>
<td>4337</td>
</tr>
<tr>
<td>HUD-CDO-00005146</td>
<td>1585</td>
<td>3191</td>
</tr>
<tr>
<td>HUD-CDO-00005147</td>
<td>1586</td>
<td>3192</td>
</tr>
<tr>
<td>HUD-CDO-00006877</td>
<td>2591</td>
<td>5269</td>
</tr>
<tr>
<td>HUD-CDO-00006881</td>
<td>2615</td>
<td>5298</td>
</tr>
<tr>
<td>HUD-CDO-00006894</td>
<td>2609</td>
<td>5280</td>
</tr>
<tr>
<td>JPM_WM00816783</td>
<td>301</td>
<td>61</td>
</tr>
<tr>
<td>JPM_WM00852762</td>
<td>424</td>
<td>190</td>
</tr>
<tr>
<td>JPM_WM00865373</td>
<td>197</td>
<td>45</td>
</tr>
<tr>
<td>JPM_WM00783315</td>
<td>534</td>
<td>202</td>
</tr>
<tr>
<td>JPM_WM01022322</td>
<td>686</td>
<td>314</td>
</tr>
<tr>
<td>JPM_WM01265462</td>
<td>393</td>
<td>89</td>
</tr>
<tr>
<td>JPM_WM01311922</td>
<td>303</td>
<td>63</td>
</tr>
<tr>
<td>JPM_WM01407692</td>
<td>218</td>
<td>52</td>
</tr>
<tr>
<td>JPM_WM02095572</td>
<td>217</td>
<td>48</td>
</tr>
<tr>
<td>JPM_WM02406624</td>
<td>422</td>
<td>188</td>
</tr>
<tr>
<td>JPM_WM02414318</td>
<td>474</td>
<td>192</td>
</tr>
<tr>
<td>JPM_WM02446549</td>
<td>572</td>
<td>211</td>
</tr>
<tr>
<td>JPM_WM02548447</td>
<td>625</td>
<td>213</td>
</tr>
<tr>
<td>JPM_WM02659697</td>
<td>422</td>
<td>92</td>
</tr>
<tr>
<td>JPM_WM03077089</td>
<td>378</td>
<td>87</td>
</tr>
<tr>
<td>JPM_WM03077747</td>
<td>376</td>
<td>84</td>
</tr>
<tr>
<td>JPM_WM03117796</td>
<td>477</td>
<td>199</td>
</tr>
<tr>
<td>JPM_WM03190673</td>
<td>315</td>
<td>71</td>
</tr>
<tr>
<td>JPM_WM03246053</td>
<td>372</td>
<td>78</td>
</tr>
<tr>
<td>JPM_WM03277758</td>
<td>375</td>
<td>85</td>
</tr>
<tr>
<td>JPM_WM03277786</td>
<td>374</td>
<td>81</td>
</tr>
<tr>
<td>JPM_WM03627448</td>
<td>377</td>
<td>85</td>
</tr>
<tr>
<td>JPM_WM03960778</td>
<td>307</td>
<td>65</td>
</tr>
<tr>
<td>JPM_WM03985880</td>
<td>333</td>
<td>74</td>
</tr>
<tr>
<td>JPM_WM04471136</td>
<td>373</td>
<td>79</td>
</tr>
<tr>
<td>JPM_WM04473292</td>
<td>824</td>
<td>402</td>
</tr>
<tr>
<td>JPM_WM04656627</td>
<td>226</td>
<td>53</td>
</tr>
<tr>
<td>JPM_WM05382127</td>
<td>311</td>
<td>69</td>
</tr>
<tr>
<td>JPM_WM05385579</td>
<td>148</td>
<td>8</td>
</tr>
<tr>
<td>JPM_WM06293964</td>
<td>158</td>
<td>40</td>
</tr>
<tr>
<td>JUL 000685</td>
<td>2412</td>
<td>4489</td>
</tr>
<tr>
<td>JUL 002027</td>
<td>2413</td>
<td>4493</td>
</tr>
<tr>
<td>JUL 003958</td>
<td>2439</td>
<td>4584</td>
</tr>
<tr>
<td>MIS-OICE-RMBS-0035460</td>
<td>1151</td>
<td>723</td>
</tr>
<tr>
<td>MIS-OICE-RMBS-0364942</td>
<td>1159</td>
<td>728</td>
</tr>
<tr>
<td>MIS-OICE-RMBS-0419014</td>
<td>1113</td>
<td>642</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>Moody's &quot;Structured Finance - Rating Methodology&quot; (3/232007)</td>
<td>2226</td>
<td>4177</td>
</tr>
<tr>
<td>Moody's Response to PSI Questions (2/17/2011)</td>
<td>1125</td>
<td>668</td>
</tr>
<tr>
<td>Moody's Response to PSI Questions (2/24/2011)</td>
<td>1122</td>
<td>664</td>
</tr>
<tr>
<td>MTSS00011</td>
<td>1256</td>
<td>802</td>
</tr>
<tr>
<td>MTSS00920</td>
<td>1435</td>
<td>2102</td>
</tr>
<tr>
<td>MTSS00929</td>
<td>1436</td>
<td>2108</td>
</tr>
<tr>
<td>New York v. First American Corporation</td>
<td>707</td>
<td>353</td>
</tr>
<tr>
<td>OTSWME04-0000044883</td>
<td>648</td>
<td>302</td>
</tr>
<tr>
<td>OTSWME04-000004489</td>
<td>649</td>
<td>308</td>
</tr>
<tr>
<td>OTSWME04-0000055357</td>
<td>154</td>
<td>25</td>
</tr>
<tr>
<td>OTSWME04-000020952</td>
<td>719</td>
<td>390</td>
</tr>
<tr>
<td>OTSWME06-039 0000205</td>
<td>694</td>
<td>323</td>
</tr>
<tr>
<td>OTSWME06-039 0000214</td>
<td>691</td>
<td>319</td>
</tr>
<tr>
<td>OTSWME07-067 0001082</td>
<td>704</td>
<td>350</td>
</tr>
<tr>
<td>OTSWME07-075 0000780</td>
<td>868</td>
<td>412</td>
</tr>
<tr>
<td>OTSWMEF-000032053</td>
<td>855</td>
<td>411</td>
</tr>
<tr>
<td>OTSWMEN-000000274</td>
<td>703</td>
<td>328</td>
</tr>
<tr>
<td>OTSWMEN-000020983</td>
<td>700</td>
<td>326</td>
</tr>
<tr>
<td>OTSWSMS06-007 0010120</td>
<td>729</td>
<td>397</td>
</tr>
<tr>
<td>OTSWSMS07-011 001294</td>
<td>708</td>
<td>384</td>
</tr>
<tr>
<td>OTSWSMS08-015 001216</td>
<td>628</td>
<td>261</td>
</tr>
<tr>
<td>PAULSON ABACUS 0224459</td>
<td>1331</td>
<td>1014</td>
</tr>
<tr>
<td>PAULSON-Abacus 0250401</td>
<td>2548</td>
<td>5225</td>
</tr>
<tr>
<td>PAULSON-ABACUS 0252736</td>
<td>2515</td>
<td>4764</td>
</tr>
<tr>
<td>PAULSON-ABACUS 0235248</td>
<td>2522</td>
<td>4810</td>
</tr>
<tr>
<td>PSI Chart: &quot;Abacus 2007-AC1 Reference Portfolio&quot;</td>
<td>2522</td>
<td>4788</td>
</tr>
<tr>
<td>PSI Chart: &quot;Fact Sheet for Three Examples of Failed AAA Ratings&quot;</td>
<td>1034</td>
<td>595</td>
</tr>
<tr>
<td>PSI Chart: &quot;Goldman Sachs Expected Profit from RMBS Securitizations&quot;</td>
<td>1238</td>
<td>769</td>
</tr>
<tr>
<td>PSI email exchange with Goldman counsel (1/7/2011)</td>
<td>2653</td>
<td>5388</td>
</tr>
<tr>
<td>PSI QFR GS00001-548 [Redacted]</td>
<td>1512</td>
<td>2291</td>
</tr>
<tr>
<td>PSI-Basis Capital Group-02-0001</td>
<td>2426</td>
<td>4533</td>
</tr>
<tr>
<td>PSI-Basis Capital Group-03-0001</td>
<td>2419</td>
<td>4515</td>
</tr>
<tr>
<td>PSI-Deutsche Bank-31-0004</td>
<td>1278</td>
<td>848</td>
</tr>
<tr>
<td>PSI-Deutsche Bank-32-0001</td>
<td>1278</td>
<td>844</td>
</tr>
<tr>
<td>PSI-Deutsche Bank-02-0005</td>
<td>1267</td>
<td>811</td>
</tr>
<tr>
<td>PSI-DeutscheBank-17-Gemstone7-0001</td>
<td>1347</td>
<td>1489</td>
</tr>
<tr>
<td>PSI-FIDIC-10-0001</td>
<td>776</td>
<td>399</td>
</tr>
<tr>
<td>PSI-FIDIC-13-000001</td>
<td>947</td>
<td>477</td>
</tr>
<tr>
<td>PSI-M&amp;T Bank-02-0001</td>
<td>1393</td>
<td>1698</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000001</td>
<td>1046</td>
<td>613</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000007</td>
<td>1123</td>
<td>666</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000009</td>
<td>1046</td>
<td>611</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000011</td>
<td>1089</td>
<td>640</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000013</td>
<td>1084</td>
<td>625</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000019</td>
<td>1087</td>
<td>631</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000022</td>
<td>1193</td>
<td>754</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000029</td>
<td>1159</td>
<td>726</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000031</td>
<td>1083</td>
<td>624</td>
</tr>
<tr>
<td>PSI-MOODY'S-RFN-000032</td>
<td>1081</td>
<td>621</td>
</tr>
<tr>
<td>Bates Number or Document Description</td>
<td>Footnote</td>
<td>FN Exhibit Page #</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>PSI-MOODYS-RFN-000035</td>
<td>1212</td>
<td>765</td>
</tr>
<tr>
<td>PSI-MOODYS-RFN-000039</td>
<td>1056</td>
<td>615</td>
</tr>
<tr>
<td>PSI-MOODYS-RFN-000040</td>
<td>1175</td>
<td>742</td>
</tr>
<tr>
<td>PSI-MOODYS-RFN-000044</td>
<td>1003</td>
<td>582</td>
</tr>
<tr>
<td>PSI-MOODYS-RFN-000045</td>
<td>1003</td>
<td>583</td>
</tr>
<tr>
<td>PSI-Paulson&amp;Co-02-0001</td>
<td>1011</td>
<td>588</td>
</tr>
<tr>
<td>PSI-Paulson-04 (Pellegrini Depo)-0001</td>
<td>2501</td>
<td>4739</td>
</tr>
<tr>
<td>PSI-Paulson-04 (Shu Depo)-0001</td>
<td>2515</td>
<td>4758</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000001</td>
<td>1191</td>
<td>753</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000002</td>
<td>1088</td>
<td>633</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000003</td>
<td>1046</td>
<td>607</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000006</td>
<td>1046</td>
<td>605</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000008</td>
<td>1088</td>
<td>636</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000012</td>
<td>1190</td>
<td>750</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000015</td>
<td>1172</td>
<td>740</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000017</td>
<td>1167</td>
<td>733</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000021</td>
<td>1171</td>
<td>737</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000024</td>
<td>1080</td>
<td>616</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000029</td>
<td>1042</td>
<td>596</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000032</td>
<td>1085</td>
<td>630</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000034</td>
<td>1189</td>
<td>746</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000038</td>
<td>1046</td>
<td>599</td>
</tr>
<tr>
<td>PSI-S&amp;P-RFN-000044</td>
<td>1152</td>
<td>724</td>
</tr>
<tr>
<td>PSI-SEC (Moodys Exam Report)-14-0001</td>
<td>975</td>
<td>519</td>
</tr>
<tr>
<td>PSI-SEC (S&amp;P Exam Report)-14-0001</td>
<td>1145</td>
<td>699</td>
</tr>
<tr>
<td>PSI-Standard&amp;Poor's-04-0001</td>
<td>1131</td>
<td>674</td>
</tr>
<tr>
<td>Quigley_Lori-00231631_001</td>
<td>716</td>
<td>387</td>
</tr>
<tr>
<td>Reich_John-00040045_001</td>
<td>710</td>
<td>385</td>
</tr>
<tr>
<td>S&amp;P Response to PSI Questions (2/10/2011)</td>
<td>1128</td>
<td>671</td>
</tr>
<tr>
<td>S&amp;P SEN-PSI 0001945</td>
<td>962</td>
<td>482</td>
</tr>
<tr>
<td>S&amp;P SEN-PSI 0007442</td>
<td>1201</td>
<td>760</td>
</tr>
<tr>
<td>S&amp;P-PSI 000028</td>
<td>991</td>
<td>568</td>
</tr>
<tr>
<td>S&amp;P-PSI 000036</td>
<td>991</td>
<td>575</td>
</tr>
<tr>
<td>S&amp;P-SEC 067708</td>
<td>1004</td>
<td>584</td>
</tr>
<tr>
<td>S&amp;P-SEC 067733</td>
<td>1004</td>
<td>585</td>
</tr>
<tr>
<td>S&amp;P-SEC 067740</td>
<td>1004</td>
<td>586</td>
</tr>
<tr>
<td>S&amp;P-SEC 067747</td>
<td>1004</td>
<td>587</td>
</tr>
<tr>
<td>SEC v. Mozilo, Case No. CV09-03994</td>
<td>884</td>
<td>424</td>
</tr>
<tr>
<td>SEC_OCIE_CRA_011212</td>
<td>981</td>
<td>535</td>
</tr>
<tr>
<td>SEC_OCIE_CRA_011214</td>
<td>981</td>
<td>544</td>
</tr>
<tr>
<td>SEC_OCIE_CRA_011217</td>
<td>981</td>
<td>545</td>
</tr>
<tr>
<td>SEC_OCIE_CRA_011218</td>
<td>982</td>
<td>546</td>
</tr>
<tr>
<td>Statement submitted to PSI by David Lehman (1/26/2011)</td>
<td>2657</td>
<td>5407</td>
</tr>
<tr>
<td>Statement submitted to PSI by Jordan Horvath (1/7/2011)</td>
<td>2657</td>
<td>5406</td>
</tr>
<tr>
<td>Statement submitted to PSI by Susan Helfrick (1/7/2011)</td>
<td>2657</td>
<td>5405</td>
</tr>
<tr>
<td>Statement submitted to PSI by Timothy Saunders (12/22/2010)</td>
<td>2657</td>
<td>5404</td>
</tr>
<tr>
<td>Transcript-Blankfein on CNBC Power Lunch (5/7/2010)</td>
<td>2706</td>
<td>5455</td>
</tr>
<tr>
<td>Wachovia counsel email to PSI (11/19 &amp; 23/2010)</td>
<td>1488</td>
<td>2272</td>
</tr>
</tbody>
</table>
From: Swanson, Michael
Sent: Wednesday, July 25, 2007 7:41 PM
To: Kao, Kevin; Jha, Arbind
Cc: Tucker, Michael; Swenson, Michael; Lehman, David A.; Birnbaum, Josh; McAndrew, Thomas R.; Primer, Jeremy; Goo, Renyuan
Subject: Re: Cash bonds

Kevin -
Thank you

----- Original Message -----
From: Kao, Kevin J.
To: Jha, Arbind
Cc: Tucker, Michael; Swenson, Michael; Lehman, David A.; Birnbaum, Josh; McAndrew, Thomas R.; Primer, Jeremy; Goo, Renyuan
Subject: RE: Cash bonds

Arbind - ABS cash bond durations are from INTX. So as long as the cash bonds are marked appropriately the spreads and durations should get reflected accordingly.
I will also watch the jobs closely tonight. Thanks.

----- Original Message -----
From: Jha, Arbind
Sent: Wednesday, July 25, 2007 7:11 PM
To: Kao, Kevin J.
Cc: Tucker, Michael; Swenson, Michael; Lehman, David A.; Birnbaum, Josh; McAndrew, Thomas R.; Primer, Jeremy; Goo, Renyuan
Subject: Cash bonds

Kevin
Given the huge changes in marks today, we expect Mortgage Trading VaR to shoot through the roof if we do not reflect mark/spread changes correctly on the cash ABS and CDO bonds in the cash feed limits. Please let us know if we perceive this to be a major problem tomorrow.
Thanks,
Arbind

Confidential Treatment Requested by Goldman Sachs
From: Sparks, Daniel L
Sent: Sunday, July 29, 2007 10:19 PM
To: Montag, Tom
Subject: RE: Problem

We are in an absolute war - been that way for awhile. We probably should have taken more time to put through the CDO market remark and check it/Elle it all the way through. But we pushed it because of basis and a desire to protect ourselves against counter-parties.

-----Original Message-----
From: Montag, Tom
Sent: Sunday, July 29, 2007 10:05 PM
To: Wiesel, Elie; Sparks, Daniel L
Cc: Mullen, Donald
Subject: RE: Problem

Why no problems before announcement? What procedures caught it before?

----- Original Message ----- 
From: Wiesel, Elie
To: Sparks, Daniel; Cohen, Gary (BD BBXG); Mullen, Donald; Montag, Tom; Lee, Brian-J (FI Controllers); Mcmahon, Bill; Smith, Sarah; Akanasahene, Almen
Cc: Vinizar, David
Sent: Sun Jul 29 21:58:43 2007
Subject: RE: Problem

Slightly more color around Dan's message below:

There are two standard ways in which ABS CDO positions are currently marked. Either its a cash bond, and the traders mark the price in N3, or it's a CDS, and the traders mark the CDS CDO price in SecDB. The system booking issue we're experiencing is because Hunt Bay was booked using a different mechanism from either of these two ways.

Trade 81: When the Hunt Bay query tranche was sold, ABS brought back the risk in total return swap form. The trade was booked using a 3rd approach which is not widely used by the secondary desk. This approach was to create an underlying CDS-style credit market to support Hunt Bay Note, and to then bank a genetic TRS against that market in SecDB.

Trade 82: GS then did another trade, which was to buy protection on the top 2/3 of the mezzanine tranche, further trancheing the position. This 3rd-order tranche trade was booked using the ABACUS tradeable, which applies a SecDB-based model to an underlying. The underlying was specified as a CDS CDO (rather than the TRS actually used to back Hunt Bay Note). So this means we now have two things in SecDB representing the same total return swap -- (a) a standard CDS CDO which the desk marked as part of it's usual swap, which informed the model-based value of the protection purchase, and (b) a credit market to back the TPS.

When CDS CDOs (but not the TPS) were re-marked in last week's sweep, no noise was created as Trade 82's value changed, but Trade 81's was not.

-----Original Message-----
From: Sparks, Daniel L
Sent: Sunday, July 29, 2007 9:10 PM
To: Cohen, Gary (BD BBXG); Mullen, Donald; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elie; Smith, Sarah
Cc: Vinizar, David
Subject: RE: Problem

Booked through 7AP into secDB, but one leg of position is TPSR swap format and one is in CDS format.
Footnote Exhibits - Page 4106

Traders are responsible to get it marked correctly and are working with right people to fix systematically going forward.

----- Original Message ----- 
From: Cohn, Gary (EQ 85830) 
Sent: Sunday, July 29, 2007 3:01 PM 
To: Sparks, Daniel L; Mullen, Donald; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinier, David; Cohn, Gary 
Subject: Re: Problem 

What system are they in? 

----- Original Message ----- 
From: Sparks, Daniel L 
Sent: Sunday, July 29, 2007 9:01 PM 
To: Mullen, Donald; Montag, Tom; Lee, Brian-J; McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinier, David; Cohn, Gary 
Subject: Re: Problem 

Our CDO trading team is. This week has had significant moves in CDOs, especially super-seniors, and activity has been crazy. We missed this position, and the form it's in and the systems issues we have made it challenging. We're working hard to trade in this market and manage the position - and the team had a very good week. That doesn't mean this error is acceptable, but we found it within a few days of the massive adjustment. We are working to make the system better.

----- Original Message ----- 
From: Mullen, Donald 
Sent: Sunday, July 29, 2007 8:26 PM 
To: Sparks, Daniel L; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinier, David; Cohn, Gary (EQ 85830) 
Subject: Re: Problem 

We clearly need to have a stale mark report. Who was responsible to mark this?

----- Original Message ----- 
From: Sparks, Daniel L 
Sent: Sunday, July 29, 2007 9:32 PM 
To: Montag, Tom; Mullen, Donald; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinier, David; Cohn, Gary (EQ 85830) 
Subject: Re: Problem 

It's 2 positions: long 1.275mm, short 925mm. Net long is $450mm. We're looking into the history on AUG mark Yea. Mark had not been updated this month We don't have a stale mark report CDO origination book.

----- Original Message ----- 
From: Montag, Tom 
Sent: Sunday, July 29, 2007 7:42 PM 
To: Sparks, Daniel L; Mullen, Donald; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinier, David; Cohn, Gary (EQ 85830) 
Subject: Re: Problem 

I

Confidential Treatment Requested by Goldman Sachs

GS MBG-010876606

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 00003 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
FOOTNOTE EXHIBITS - PAGE 4107

It's a 1.2 billion dollar position; is that correct? How have we been marking AIG? Both controllers and the desk hadn't looked at it all month? Wouldn't there be a report of large positions where marks hadn't changed. Where's the book after it?

------ Original Message ------
From: Speaks, Daniel L
To: Muller, Donald; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Eslinger; Smith, Sarah
Cc: Vasek, David; Cohn, Gary (ED 6530)
Subject: Question

One large synthetic position has not been marked since last month and has not been flowing through the position system, and the problem is large with the dramatic remark we made this week to CDOs. The trading team scrubbed everything this weekend with controllers and asset, and found this - not May 1 super senior (roughly $1.25B of a CDO of AA-1/sh paper done in March 2006 and without much CDO3). It's funded with another counterparty, and AIG wrote credit protection on the top 65%. We have the remaining 35% credit (sk), and a mark of 25 points needs to go through. There are various causes of our mistake (none good), but the form of the trade had a lot to do with it.

That's about $100m loss that we need to take.

The team has gone through everything elsewhere and does not feel there is anything else like this not feeding through, although there is a $50m senior pic swap the needs to be better analyzed in light of the market.

We can either put it in the estimate Monday, or put it in Friday as a large variance.

I'd rather I posted you live, but I just got the information and wanted to post this group quickly with month-end.

I'm around tonight 103-972-1346 or in the morning 2-2914.

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4108

From: Sparks, Daniel L
Sent: Sunday, July 29, 2007 9:28 PM
To: Mullen, Donald
Subject: RE: Problem

He's overseeing quotes, correlation and ido's. There are responsible line people in each. There is a systems issue in how this was evaluated that when corrected will prevent this. We made massive mark adjustments this week, pushed them through because of basis and counterparty exposure, and probably should have waited to work through everything.

-----Original Message-----
From: Mullen, Donald
Sent: Sunday, July 29, 2007 9:23 PM
To: Sparks, Daniel L
Subject: Re: Problem

I am sympathetic to his schedule but this can't happen. What exactly is he asking markets to?

----- Original Message -----  
From: Sparks, Daniel L
To: Mullen, Donald
Subject: RE: Problem

Lehman, it is in retained cdo position

-----Original Message-----
From: Mullen, Donald
Sent: Sunday, July 29, 2007 9:14 PM
To: Sparks, Daniel L
Subject: Re: Problem

Who is the single person responsible to mark up? And is it in his pnl?

----- Original Message ----- 
From: Sparks, Daniel L
To: Cohen, Gary (EO 85830), Mullen, Donald, Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah
Cc: Viniker, David
Subject: RE: Problem

Pushed through YAP into secOB, but one leg of position is TBOR swap format and one is in CDS format. Traders are responsible to get it marked correctly and are working with right people to fix systematically going forward.

-----Original Message-----
From: Cohen, Gary (EO 85830)
Sent: Sunday, July 29, 2007 9:01 PM
To: Sparks, Daniel L; Mullen, Donald; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah
Cc: Viniker, David

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4109

Subject: Re: Problem

What system are they in

----- Original Message ----- 
From: Sparks, Daniel L 
To: Mallen, Donald; Montag, Tom; Lee, Brian-J; McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinski, David; Cohn, Gary 
Sent: Sun Jul 29 20:59:01 2007 
Subject: Re: Problem

Our CDO trading team is. This week has had significant moves in CDOs, especially super-seniors, and activity has been crazy. We missed this position, and the form it's in and the systemic issues we have made it challenging.

We're working hard to trade in this market and manage the position - and the team had a very good week.

That doesn't mean this error is acceptable, but we found it within a few days of the massive adjustment.

We are working to make the system better.

----- Original Message ----- 
From: Mallen, Donald 
Sent: Sunday, July 29, 2007 8:26 PM 
To: Sparks, Daniel L; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinski, David; Cohn, Gary (ED 85830) 
Subject: Re: Problem

We clearly need to have a stale mark report. Who was responsible to mark this?

----- Original Message ----- 
From: Montag, Tom 
To: Sparks, Daniel L; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinski, David; Cohn, Gary (ED 85830) 
Subject: Re: Problem

It's 2 positions: long $1.275MR, short $1.25mm. Net long is $450mm.

We're looking into the history on A16 mark Yes, mark had not been updated this month. We don't have a stale mark report CDO origination book.

----- Original Message ----- 
From: Montag, Tom 
Sent: Sunday, July 29, 2007 21:42 PM 
To: Sparks, Daniel L; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinski, David; Cohn, Gary (ED 85830) 
Subject: Re: Problem

It's a 1.2 billion dollar position! Is that correct? How have we been marking A16? Both controllars and the desk hadn't looked at it all month? Wouldn't there be a report of large positions where marks hadn't changed. Whose book was it in?

----- Original Message ----- 
From: Sparks, Daniel L 
To: Mallen, Donald; Montag, Tom; Lee, Brian-J (FI Controllers); McMahon, Bill; Wiesel, Elisha; Smith, Sarah 
Cc: Vinski, David; Cohn, Gary (ED 85830) 

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-010875566
One large synthetic position has not been marked since last month and has not been flowing through the position system, and the problem is large with the dramatic rework we made this week to CODs. The trading team scrubbed everything this weekend with controllers and street, and found this - Bank Roy 1 super senior (roughly $1.25M off a CDO of Ah-1ah paper done in March 2004 and without much CDO2). It’s funded with another counterparty, and AGC wrote credit protection on the top 0.5%. GS has the remaining 3.5% credit risk, and a mark of 25 points needs to go through. There are various causes for our mistake (some good), but the form of the trade had a lot to do with it.

That’s about $100mm loss that we need to take.

The team has gone through everything else and does not feel there is anything else like this not feeding through, although there is a $90mm senior pig swap the needs to be better analyzed in light of the market.

We can either put it in the estimate Monday, or put it in Friday as a large variance.

I’d rather I posted you live, but I just got the information and wanted to post this group quickly with month-end.

I’m around tonight 203-972-1348 or in the morning 2-0914.
Footnote Exhibits - Page 4111

From: McHugh, John  
Sent: Friday, July 13, 2007 11:11 PM  
To: Swenson, Michael; Lehman, David A.  
Cc: Sarno, Daniel L  
Subject: RE: Talking Points Needed for Gary Cohn  
Attachments: PME speaking notes July 2007 for Gary Cohn.doc  

Talking Points posted below and attached... pls review  

Marketer Commentary  
- Subprime mortgage market continues to be dislocated and illiquid  
- Spreads tightened from March-May for technical reasons (supply & demand)  
- Increases in delinquencies, slower prepayment speeds and interest rate rising continued to weigh on the market in the face of weaker housing prices  
- RBSAM & other hedge fund managers (most recently Bear Stearns) announced they were halting fund redemptions and/or liquidating holdings, with some likely to fail  
- Rating agencies announced a series of downgrades and/or securities placed on negative watch. Agencies also adopted significant changes in rating and surveillance methodologies using more default loss assumptions which will result in more aggressive downgrades on existing deals and require greater credit enhancement on new deals  
- ABX prices dropped dramatically in reaction with new issue residential and CDO prices following suit. At Dec 31, 2006, ABX 06-2 BBB- synthetic tranche was trading at $0.1, it bottomed at $0.14 on July 13, 2007  
-  
Subprime loan & securitization commentary:  
- Industry wide, subprime loan origination is down 40% in 2007 and headed lower  
- 7 of the top 10 subprime lenders in 2006 are either out of business or have changed ownership  
- Subprime loan pools began to stabilize in the mid-2003 in late May and early June as dealers bid more aggressively to fund inventory into their securitization platforms but have since fallen more than a point in the face of worse fundamentals  
- Spread volatility increased, loans and new issue pricing has come under pressure with dealers having particular difficulty pricing lower rated securities  
- Goldman’s subprime loan purchase was less than $500m for April and May, but in June we were successful in bidding on a $750m subprime loan package from HSBC (secured loans (50% production) with some NPO embedded and strong payment histories)  
- Loans in mid-2006 were bought at 0.25% of face value, but now are priced higher and in the face of worse fundamentals  
- Bigger players are taking larger write-downs as more losses are recognized  
- More stringent due diligence procedures resulted in lower pull-through rates, reduced market share and pushback from originators, but results are difficult to argue against  
- CDO securitization market is coming to a standstill, GS has zero in warehouse  
- Non-prime loan inventory is currently at $3bn, drawn down from $12bn at fiscal year-end  
- Warehouse secured lending in this space has been reduced from just under $1bn as fiscal year-end to $500m currently  

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4112

<table>
<thead>
<tr>
<th>(from %)</th>
<th>07/01/06</th>
<th>11/20/06</th>
<th>06/15/07</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Inventory</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subprime</td>
<td>5.525</td>
<td>6.200</td>
<td>156</td>
<td>1.175</td>
</tr>
<tr>
<td>A2</td>
<td>9.683</td>
<td>3.333</td>
<td>1.387</td>
<td>1.599</td>
</tr>
<tr>
<td>SDRQ</td>
<td>627</td>
<td>755</td>
<td>96.6</td>
<td>643</td>
</tr>
<tr>
<td>2nd</td>
<td>965</td>
<td>1,905</td>
<td>62</td>
<td>.67</td>
</tr>
<tr>
<td>Resi Warehouse</td>
<td>952</td>
<td>949</td>
<td>51</td>
<td>53</td>
</tr>
<tr>
<td>CDO Warehouse</td>
<td>9.245</td>
<td>5.720</td>
<td>1.740</td>
<td></td>
</tr>
<tr>
<td>Retained CDO Bonds</td>
<td>300</td>
<td>860</td>
<td>4,570</td>
<td>2,630</td>
</tr>
<tr>
<td>ABX 05-2 BPS</td>
<td>99</td>
<td>98</td>
<td>76</td>
<td>53</td>
</tr>
</tbody>
</table>

* ABX 05-2 and 07-1 series hit all-time lows of 53 and 49, respectively, on July 17th.

Original Message:
From: Sparks, Daniel L.
Sent: July 13, 2007 3:17 PM
To: White, Eileen (IS 85930); Schuetz, Stephen (JF NYPK43); Hickory, Steve; Lehman, David A.; Swanson, Michael; Metzler, John
Cc: Black, Jennifer (JF NYPK43); Javascript, Eileen; Belcher, Dominique (Dew Ann); Lipsitz, Allison (IS 85930)
Subject: Re: Talking Points Needed for Gary Cohen

Join, please update what you had prepared for meeting - short it by swanson and lehman, and address below

Original Message:
From: White, Eileen (IS 85930)
Sent: July 13, 2007 4:00 PM
To: Schuetz, Stephen (JF NYPK43); Sparks, Daniel L.; Hickory, Steve
Cc: Black, Jennifer (JF NYPK43); Javascript, Eileen; Belcher, Dominique (Dew Ann); Lipsitz, Allison (IS 85930)
Sent: Fri Jul 13 16:00:04 2007
Subject: Talking Points Needed for Gary Cohen

All,
Lloyd has asked Gary to provide a 5-minute update on credit markets at the Monthly Partner Meeting this Tuesday, July 17th.
Would you be able to provide talking points for Gary? I would be grateful if you might be able to forward to me as soon as possible.
(Gary is traveling to Asia.)
Sorry for the last-minute request; this was just put on the agenda.
Best,
Eileen

Goldman, Sachs & Co.
15 Broad Street New York, NY 10005
Tel 212-902-1100 Fax 212-902-3443
call: Eileen White@GS.com

Eileen M. White
Managing Director
Office of the Chairman

Goldman Sachs

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-010853932
Footnote Exhibits - Page 4113

From: Blankfein, Lloyd (EO 88830)
Sent: Tuesday, July 31, 2007 8:55 PM
To: Montag, Tom
Subject: Re: Mortgage Derivative Collateral Disputes - 7/31 Update (COB 7/27 marks)

Make sure they prioritize weaker credits where our risk is threatening.

---- Original Message ----
From: Montag, Tom
Sent: Tue Jul 31 18:52:53 2007
Subject: Re: Mortgage Derivative Collateral Disputes - 7/31 Update (COB 7/27 marks)

7 billion of collateral disputes!!!!

---- Original Message ----
From: Simpson, Michael
To: Vlasar, David; Montag, Tom; Malles, Donald; Sparks, Daniel; Smith, Sarah; Lee, Brian-2 (FP Controller); Brederick, Craig; Napfugel, Alan; Vito, Robin
Cc: O'Connor, Gavin; Armstrong, Phil; Rame, Nicole; Braffman, Lester R
Sent: Tue Jul 31 18:51:04 2007
Subject: Mortgage Derivative Collateral Disputes - 7/31 Update (COB 7/27 marks)

Over the past week the market has experienced continued volatility. As a result, there were a significant number of mark updates. The overall derivative collateral dispute amount is now $7.0 billion.

The following reflects a high level reconciliation from our last update:

<table>
<thead>
<tr>
<th>Date/Amount (in billions)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/24</td>
<td>Previous total derivative dispute level on</td>
</tr>
<tr>
<td>GS calls</td>
<td>3.0</td>
</tr>
<tr>
<td>(0.5)</td>
<td>Resolved disputes</td>
</tr>
<tr>
<td>1.2</td>
<td>New disputes</td>
</tr>
<tr>
<td>3.7</td>
<td>Net increase in previous disputes</td>
</tr>
<tr>
<td>7/31</td>
<td>Current total derivative dispute level on</td>
</tr>
<tr>
<td>GS calls</td>
<td>7.0</td>
</tr>
</tbody>
</table>

The following table represents the 10 largest disputes and their respective increases/decreases since our last update. All numbers are in millions.

<table>
<thead>
<tr>
<th>Risk Party</th>
<th>Current Dispute Inc./Dec.</th>
<th>1/Q2 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIG FINANCIAL PRODUCTS CORP</td>
<td>-</td>
<td>1,891</td>
</tr>
<tr>
<td>CANADIAN IMPERIAL BANK OF COMMERCE</td>
<td>-</td>
<td>1,877</td>
</tr>
<tr>
<td>CALVIN...</td>
<td>-</td>
<td>136</td>
</tr>
<tr>
<td>USAA...</td>
<td>-</td>
<td>118</td>
</tr>
<tr>
<td>MORGAN STANLEY CAPITAL SERVICES INC</td>
<td>-</td>
<td>136</td>
</tr>
<tr>
<td>KIEH CORPORATE &amp; INVESTMENT BANK</td>
<td>-</td>
<td>215</td>
</tr>
<tr>
<td>DEUTSCHE BANK ANTI-SIEGBUSCH...</td>
<td>-</td>
<td>156</td>
</tr>
<tr>
<td>BAR KU BOEKE N.V....</td>
<td>-</td>
<td>494</td>
</tr>
<tr>
<td>SOCIETE GENERALE...</td>
<td>-</td>
<td>686</td>
</tr>
<tr>
<td>CITIBANK, N.A....</td>
<td>-</td>
<td>4,265</td>
</tr>
</tbody>
</table>

The table is focused on all of these. The bulk of the disputes have detailed...
reconciliations as of COB 7/27 and we are in the process of reaching out to each of the counterparties.

We will update this distribution as we make progress.

If there are any questions, please contact me directly.
Footnote Exhibits - Page 4115

From: Lehman, David A.
Sent: Tuesday, August 28, 2007 9:37 AM
To: Sparks, Daniel L.
Subject: RE: Mark changes which are greater than 5% / greater than 10%

--- Original Message ---
From: Sparks, Daniel L.
Sent: Tuesday, August 28, 2007 8:44 AM
To: Lehman, David A.
Subject: Re: Mark changes which are greater than 5% / greater than 10%

Yes - I reviewed and am ok, and show him and ask for sign off from him.

--- Original Message ---
From: Lehman, David A.
Sent: Tuesday, August 28, 2007 8:44 AM
To: Sparks, Daniel L.
Subject: RE: Mark changes which are greater than 5% / greater than 10%

Do you want me to reach out to Don on the greater than 10% ones?

From: Sparks, Daniel L.
Sent: Monday, August 27, 2007 11:30 PM
To: Lehman, David A.
Subject: RE: Mark changes which are greater than 5% / greater than 10%

I got your e-mail and I'm fine.

From: Lehman, David A.
Sent: Monday, August 27, 2007 6:44 PM
To: Sparks, Daniel L.
Subject: Mark changes which are greater than 5% / greater than 10%

PS: No Mark changes which are greater than 5%

Description Price Che client
LMF 5006 (8.0) boc beijing
GSR 2005 (8.0) boc beijing
GSR 2007 (8.0) CCB ON
GSNP 2006 (9.0) Bank
GSMY 2006 (8.0) boc beijing
GSMY 07 (9.0) Bank
GSA 2005 (9.0) boc beijing
GSA 2006 (9.0) boc beijing
GSR 2005 (7.0) boc beijing

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4116

<table>
<thead>
<tr>
<th>Description</th>
<th>Price Chg</th>
<th>Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMEZ 2006-10</td>
<td>-0.40</td>
<td>boc beijing</td>
</tr>
<tr>
<td>GSMA 2006-10</td>
<td>0.11</td>
<td>CCB CH</td>
</tr>
<tr>
<td>GSMA 2006-10</td>
<td>-0.11</td>
<td>boc beijing</td>
</tr>
<tr>
<td>GSAM 2006-10</td>
<td>-0.11</td>
<td>boc beijing</td>
</tr>
<tr>
<td>GSAM 2006-10</td>
<td>0.0</td>
<td>boc beijing</td>
</tr>
<tr>
<td>GSAM 2006-10</td>
<td>-0.2</td>
<td>boc beijing</td>
</tr>
<tr>
<td>FRN 05-05</td>
<td>5.7</td>
<td>Chunghe Post</td>
</tr>
<tr>
<td>GSA 2006-10</td>
<td>-0.01</td>
<td>State Street</td>
</tr>
<tr>
<td>GSA 2006-10</td>
<td>-0.01</td>
<td>Aeon Financial</td>
</tr>
<tr>
<td>GAA 2006-10</td>
<td>-0.01</td>
<td>Calyon</td>
</tr>
<tr>
<td>FFML 2005-10</td>
<td>-0.01</td>
<td>Hong Kong ME</td>
</tr>
<tr>
<td>CHAI 2006-10</td>
<td>-0.01</td>
<td>Aladdin Capital</td>
</tr>
<tr>
<td>GSA 2006-10</td>
<td>0.01</td>
<td>Swiss Re</td>
</tr>
<tr>
<td>GSAM 2006-10</td>
<td>-0.01</td>
<td>E-BRC Lending</td>
</tr>
<tr>
<td>GSAM 2006-10</td>
<td>0.01</td>
<td>HSBC 3</td>
</tr>
<tr>
<td>CHAI 2006-10</td>
<td>-0.01</td>
<td>Citibank</td>
</tr>
<tr>
<td>GSA 2007-10</td>
<td>0.01</td>
<td>FSA</td>
</tr>
<tr>
<td>APML 2004-10</td>
<td>-0.01</td>
<td>AIG (USA)</td>
</tr>
<tr>
<td>GSAM 2005-10</td>
<td>0.01</td>
<td>ACA</td>
</tr>
<tr>
<td>LBMS 2004-10</td>
<td>0.01</td>
<td>Hong Kong ME</td>
</tr>
<tr>
<td>HCMET 2006-10</td>
<td>0.01</td>
<td>HK Daily</td>
</tr>
<tr>
<td>GSA 2006-10</td>
<td>0.01</td>
<td>Hong Kong ME</td>
</tr>
<tr>
<td>GSAM 2005-10</td>
<td>0.01</td>
<td>ABN AMRO</td>
</tr>
</tbody>
</table>

**Notes:**

- PMMS Mark changes which are greater than 10%.
- CDO mark changes (5 and 10pts).
- AABK 2006-1GA J Min Cap (10pts).

**Confidential Treatment Requested by Goldman Sachs**
Kind of stunning - but we are hearing it.

----- Original Message -----  
From: Breman, Lester R  
To: Sparks, Daniel L  
Sent: Thu Jun 21 07:01:13 2007  
Subject: Re: Repo

Would have that that event would provide reasonable explanation as to why our marking and haircut is ok.

Sent from my Blackberry Wireless Handheld

----- Original Message -----  
From: Sparks, Daniel L  
To: Mullin, Donald; Lehman, David A.; Gasvoda, Kevin; Swenson, Michael; Breman, Lester R  
Sent: Thu Jun 21 07:46:50 2007  
Subject: Re: Repo

There are a few positions where repo either feels a put was agreed to or the department actually has agreed to it. Whether we do it or money makes does it - the firm still has it and we need to be diligent on marks and haircut. We also finance people in the warehouse business - notably basis and chase who we have been margin calling (appropriately!) a fair amount lately.

For very important trades, we should consider it. Kevin, can you circulate the list of bonds to this group.

Also, sales is making significant noise about go notable conservations in marking and haircut.

----- Original Message -----  
From: Mullin, Donald  
To: Lehman, David A.; Sparks, Daniel L; Gasvoda, Kevin; Swenson, Michael; Breman, Lester R  
Sent: Thu Jun 21 07:37:52 2007  
Subject: Re: Repo

We should discuss. What kind of cds?

----- Original Message -----  
From: Lehman, David A.  
To: Sparks, Daniel L; Mullin, Donald; Gasvoda, Kevin; Swenson, Michael; Breman, Lester R  
Sent: Thu Jun 21 07:29:01 2007  
Subject: Repo

Yesterday we asked the repo desk to finance a CDO position that we were looking to sell to a client. While the trade with the client did not happen, the repo desk would have wanted
the mortgage department to write a "put" on the CDO bonds where we would own the bonds & the mark price minus the haircut in the event the bonds went south and the risk was put back to GS.

I know this issue has come up in the past but we should discuss.

David Lehman
Fixed Income, Currency & Commodities

Disclaimer:
This material has been prepared specifically for you by the Goldman Sachs Fixed Income Structured Product Group (SPG) Trading Desk and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Additionally, the material is based on certain factors and assumptions as the SPG Trading Desk may in its absolute discretion have considered appropriate. There can be no assurance that these factors and assumptions are accurate or complete, that estimated returns or projections can be realized, or that actual results or returns will not be materially different than those presented. Certain transactions, including those involving ABS, CMOs, and CDOs, may give rise to substantial risk and are not suitable for all investors. The SPG Trading Desk may have accumulated long or short positions in, and buy or sell, the securities that are the basis of this analysis. The SPG Trading Desk does not undertake any obligation to update this material.
Dear comrades, thanks vm for help on this... cheers

-----Original Message-----
From: Chaudhary, Omar
Sent: Tuesday, May 22, 2007 9:38 AM
To: Deng, Daniel; Chin, Edwin; Swenson, Michael; Gasvoda, Kevin; Lehman, David A.; Lee, Jay
Cc: Yang, Zhengyu; Shao, Wenbo
Subject: RE: Mark to market prices

Will send to you in a second via FIDE-upps

-----Original Message-----
From: Deng, Daniel
Sent: Tuesday, May 22, 2007 10:35 AM
To: Chin, Edwin; Swenson, Michael; Gasvoda, Kevin; Lehman, David A.; Lee, Jay; Chaudhary, Omar
Cc: Yang, Zhengyu; Shao, Wenbo; Deng, Daniel
Subject: RE: Mark to market prices

Thanks vm for the efforts and we do appreciate. Will make sure client understand we made great effort here.

And could u please show indicative MTM price for the following bonds as well?

- GNAP 06
- GNAP 06
- MHAP 06
- CHAO 06
- CHAO 06

thanks

-----Original Message-----
From: Chin, Edwin
Sent: Tuesday, May 22, 2007 7:40 AM
To: Deng, Daniel; Swenson, Michael; Gasvoda, Kevin; Lehman, David A.; Lee, Jay; Chaudhary, Omar
Cc: Yang, Zhengyu; Shao, Wenbo
Subject: RE: Mark to market prices

After much discussion internally, we will improve our bid to 98-30 given the market color we have observed in the past two days. The markdown was mostly a reaction to the rating agency downgrade and partly reflected the illiquidity of the position, but upon further analysis we have gotten more comfortable with the bid position and agree it should be marked at a higher price. However, we reserve the right to revisit the valuation for month-end upon the full release of the May trustee report.

-----Original Message-----
From: Deng, Daniel
Sent: Monday, May 21, 2007 11:58 AM

Confidential Treatment Requested by Goldman

GS MIBS-E-01106400

Report Footnote #2164
Pls see below request from BOC HK. We understand it a tough time for ABS trading, but as BOC HK is one of the key supporter of our ABS new business in the past, especially it bought second lien stuff mainly from GS with the belief that we have best credit management in this area, can we try our best to show "better" indicative prices for them? As u can see in the msg below, client is under pressure of being questioned that they bought something looks really bad. I think we are not asking off the market price for them, but for a AAA bond with half year ABS, we showed a prism of LREN 06 A 1 at US $500. It turns to be a spread of 1025 at 25 npr, this is something hard for client to believe... It's a hard time for both ABS investors and trading desk now, but for reputation and long run business relationship, we would like you to take the request seriously. We need them to think of GS as the best firm, and we need them to be our best client when next big boom comes... Once again, we understand that market risk is always the key issue for trading desk, but Pls try to do something possible to make sure clients won't disappointed on us when comparing us with our competitors. We discussed with Jay Lee and Omar on this, and also shared the key points with client this morning, seems client is still unhappy with our explanation... We would highly appreciate if a slightly aggressive price can be showed from trading desk. At least we can tell client that we tried our best we can for them in current market circumstance. Thanks us and pls let us know how we can solve this more constructively...

China team

----- Original Message -----
From: Yang, Shenyu
To: Deng, Daniel
Sent: Mon, May 21, 2007 06:48 PM
Subject: FW: Mark to market prices

Hi Shenyu,

According to the instruction from our management, please kindly provide the following mark to market prices for our 2nd lien holdings (all GS as lead agn):

<table>
<thead>
<tr>
<th>NAME</th>
<th>MARK</th>
<th>MARK</th>
</tr>
</thead>
<tbody>
<tr>
<td>GC/GC</td>
<td>850+</td>
<td>850+</td>
</tr>
<tr>
<td>GC/GC</td>
<td>250+</td>
<td>250+</td>
</tr>
<tr>
<td>CR/AS</td>
<td>200+</td>
<td>200+</td>
</tr>
<tr>
<td>GC/GC</td>
<td>850+</td>
<td>850+</td>
</tr>
</tbody>
</table>

For the bid quote of LREN 06 A1 your trader gave us earlier today, can you also ask for the 2-way bid-ask price for our reference?

Thanks and regards.

This is not a solicitation and does not take into account the investment objectives of individual clients. Prepared based upon info believed reliable. GS does not represent that this material is accurate/complete/up to date and accepts no liability if it is not. Views contained are solely those of the sender. GS and its affiliates, including persons involved in the preparation/issuance of this material, may have positions in, and buy/sell the securities/derivatives thereof, of companies mentioned in this material. GS PRICING IS PROPRIETARY. YOU AGREE NOT TO DISCLOSE & WE RELY ON THAT AGREEMENT WHEN FURNISHING [FULL TERMS]: www.gs.com/disclaimer/pricinginfo.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-011068491
Footnote Exhibits - Page 4121

From: Lehman, David A.
Sent: Monday, August 06, 2007 11:25 AM
To: Lee, Jay; Creed, Christopher J.; Williams, Geoffrey
Cc: Chaufhey, Omar
Subject: RE: Tokyo Star

If we have not traded TWolf or PTPLS recently (which we have not ...), I think it makes the most sense for us to speak to the underlying portfolio moves. We have seen several "A" CDOs which hold either deals trade since the past month.

I think it is important to point out that while our prices are actionable levels where they can buy/sell a specific amount if risk, other dealers do not price that way. In fact, we have been told by other accounts that other dealers' prices are not even indicative of the market.

We cannot put this on paper - it concerns me that they want something specifically in writing.

From: [Email Address]
Sent: Monday, August 06, 2007 11:19 AM
To: [Email Address]
Cc: [Email Address]
Subject: RE: Tokyo Star

Hm. If we have trade spots to point to, that's probably fine. However, if we just say 'it's the market price, here's our bid for protection, step up or clam up,' that will lead to a response along this vein:

1) Assuming Twolf itself hasn't traded recently and there are no markets on the security itself, what is the latest CDO+2 price? If there are, 2) What characteristics do we focus on when comparing Twolf to the more transparent bond (e.g., the number of underlying CDOs that have "flight triggers", the number of underlying CDOs that are on downgrades, etc.); and 3) Why do the other dealers all have higher marks on their CDO+2 if it's something as simple as "market price"?

From: Lehman, David A.
Sent: Tuesday, August 07, 2007 12:05 AM
To: Lee, Jay; Creed, Christopher J.; Williams, Geoffrey
Cc: Chaufhey, Omar
Subject: RE: Tokyo Star

Our marking policy is a market price (bid and/or offer). We do not have a written methodology for pricing and we should tell them that.

From: Lee, Jay
Sent: Monday, August 06, 2007 10:51 AM
To: Creed, Christopher J.; Lehman, David A.; Williams, Geoffrey
Cc: Chaufhey, Omar
Subject: RE: Tokyo Star

I can ask, but I think other dealers have actually provided waivers on the specifics of the CDO+2, instead of general terms. We can ask for the general level of their marks from other dealers as well.

Confidential Treatment Requested by Goldman Sachs GS MDGS-600127891
Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2165

Footnote Exhibits - Page 4122

Will they share w/us the written material given to them by the other banks?

What about the marks?

FYI, Tokyo Star Bank continues to put a lot of pressure on us for something written on pricing methodology. They say they need something by Tuesday NYC COB, because they have a meeting on Wednesday morning with management.

We have made it clear that we cannot provide anything specifically related to Timberwolf or Point Pleasant, and that we can only provide methodology in general terms. We offered a conference call where we have the freedom to discuss the marks more specifically, but they insist that they need something written to show to their management when they provide their marks. They also say that other dealers have already sent information on their pricing methodology, and their marks are higher despite lower ratings.

I talked with Mr. Lee today.

I proposed conference call with NY traders tomorrow morning but he denied and said they need our answer in writing first.

Tokyo Star will have their internal meeting with management side on this Wednesday, so pls push NY traders and compliance so that we can send it on Wednesday morning Tokyo time.

FYI, other dealers have already sent their pricing methods and MTMs.

Basically the prices were higher than ours even though the ratings are AA. That is why they need our pricing method information as soon as possible.

I totally understand that this request is special and difficult for us to answer quickly but pls do your best.

Regards,

Koji Wada
Footnote Exhibits - Page 4123

From: Lehman, David A.
Sent: Wednesday, June 28, 2007 7:10 AM
To: Sugioke, Hirota
Subject: Re: Point Pleasant marks - request from Tokyo Star Bank

I can talk about the credit trenches if need be. They are broadly off as well, as one would expect.

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1691 | Mob: 917-[

----- Original Message ----- 
From: Sugioke, Hirota
To: Lehman, David A.
Subject: Re: Point Pleasant marks - request from Tokyo Star Bank

Thanks

----- Original Message ----- 
From: Lehman, David A.
Sent: Wednesday, June 06, 2007 8:05 PM
To: Sugioke, Hirota
Subject: Re: Point Pleasant marks - request from Tokyo Star Bank

The other AAAs perhaps, I think the credit bonds are too subjective.
The AAs were around 93 in April and 91 in May

Let me know if this is enough

----- Original Message ----- 
From: Sugioke, Hirota
To: Lehman, David A.
Sent: Wed Jun 06 06:54:13 2007
Subject: Re: Point Pleasant marks - request from Tokyo Star Bank

Confidential Treatment Requested by Goldman

GS MBS-E-001912408
Footnote Exhibits - Page 4124

Are we able to show our thoughts on market levels (April end and May end) for other tranches?

-----Original Message-----
From: Lehman, David A.
Sent: Wednesday, June 06, 2007 7:55 PM
To: Sugioke, Hirotaka
Subject: Re: Point Pleasant marks - request from Tokyo Star Bank
Let me know if u need anything else

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1691 | Mob: 917-...
e-mail: david.lehman@goldman.com

----- Original Message -----  
From: Sugioke, Hirotaka
To: Lehman, David A.
Sent: Wed Jun 06 08:41:32 2007
Subject: RE: Point Pleasant marks - request from Tokyo Star Bank

Thanks

-----Original Message-----
From: Lehman, David A.
Sent: Wednesday, June 06, 2007 7:40 PM
To: Sugioke, Hirotaka; Case, Benjamin
Cc: Chaudhary, Omer; Lee, Jay; Bieher, Matthew G.
Subject: Re: Point Pleasant marks - request from Tokyo Star Bank

Verbal only
Want to give them our thoughts on market levels, not "marks"

Prop Xis were valued +/- 95 at the end of April and +/- 94 at the end of May...similar to TWOF, this bond has come off a bit

----- Original Message -----  
From: Sugioke, Hirotaka
To: Case, Benjamin
Cc: Chaudhary, Omer; Lee, Jay; Lehman, David A.; Bieher, Matthew G.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001912409
Footnote Exhibits - Page 4125

Sent: Wed Jun 06 06:17:58 2007
Subject: Point Pleasant marks - request from Tokyo Star Bank

Tokyo Star is requesting April-end and May-end marks on Point Pleasant. Can you please provide what you can share?

Thanks.

-----Original Message-----
From: Casey, Benjamin
Sent: Friday, May 25, 2007 9:30 AM
To: Sugio, Harotaka
Cc: Biedler, Matthew G.; Chaudhary, Omar; Loo, Jay; Lehman, David A.
Subject: RE: CDO spread request from Tokyo Star Bank

Sugi,

As requested, attached is a list of CDO-squared programs in the market over the past few years, along with the Bloomberg ticker for each deal:


Also, here are the April month-end marks for the Timberwolf AI tranches — please relay verbally (only the valuations team is allowed to send valuations externally in email form):

- TWDIF 2007-1A AIA 100
- TWDIF 2007-1A ALR 100
- TWDIF 2007-1A AIC 99.7109375
- TWDIF 2007-1A AID 99.6991875

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001912410
New York, November 20. The US structured finance markets remained in a state of quasi-paralysis with minimal liquidity and poor sentiment. The jitters of market participants was escalated by a report from Goldman Sachs analysts predicting that the mortgage markets crisis is likely to drag on and will have serious implications for a significant number of financial institutions.

"Write-downs and losses will continue to mount, fueling negative investor sentiment and keeping (equity) valuations under pressure," said William Tauro, Len Applebaum and other GS analysts in a report to their clients. "Sovereign components will have to raise capital, others will have to preserve capital, and management will need to repair some seriously damaged balance sheets.

Citing the problems of the residential mortgage market and RMBS CDOs, Goldman downgraded Citigroup to "sell" and recommended that investors avoid mortgage insurers and financial guarantors. The GS research team estimated that industry-wide losses reflecting marking-down of whole subprime mortgage CDO's will approach $900 billion; reflecting $871 billion of writedowns by financial firms for 2007 Q4, $76.5 billion in Q1 and a remaining balance of $9.174 billion in additional losses based on evaluations of current market prices.

The analysis assumes $224.8 billion of subprime mortgage CDO exposure across the universe of financial institutions: $214.8 billion for US broker-dealers, $40 billion for financial guarantors, $35.5 billion for REITs insurers, $2.3 billion of US banks, $1.05 billion of other insurers and $0.05 billion of other insurers.

"The patient remains in the hospital," quipped a portfolio manager for a major buy-side shop. Asked by the markets if the ABS CDO sector will be able to rebound, he said: "Sorry to say that the CDO market is dead." The ABS indices faded lower as market participants worried that the negative impact of the subprime debacle will be widespread. The closely followed Lehman's 30-day repo (LIBOR - 30 bp) from 8.64% to 8.77% on July 27. The [ABX 05-9 "BBB-" 2.45] declined 10.97/120 to 81-7/8. Meanwhile, the [LDCX-3] leveraged loan index was down 0.375 to 395.65, raising the yield by 116 bp to 356.11. (John Nash)

John Nash
Senior Analyst
Thomson 914 - AB
John.Nash@Thomson.com
Phone # : (562) 822 - 2975
Footnote Exhibits - Page 4127

From: Lehman, David A.
Sent: Thursday, June 21, 2007 10:27 AM
To: Tourre, Fabrice
Subject: RE: Post on ACA

great job getting this done

From: Tourre, Fabrice
Sent: Thursday, June 21, 2007 9:46 AM
To: Sparks, Daniel L; Camecchia, Thomas; Flesh-Potley, Stacy; Swenson, Michael; Lehman, David A.
Cc: fct-mtgconv-dsk

We are buying $6.5mm 1yr CDS protection on ACA Financial Guaranty Corp, monoline supplement, at 1.46bps.
Thanks to Paul Mutter for the trade. This leaves us with $2.7mm of 3yr ACA CDS exposure following the large ABA/ACUS 07-A1 trade we executed last month.

Goldman, Sachs & Co.
95 Broad Street | 26th Floor | New York, NY 10004
Tel: 212-902-0891 | Fax: 212-902-0100 | Email: fturrets@gs.com

Fabrice Tourre
Structured Products Group

Goldman
Sachs

This material has been prepared specifically for you by the Fixed Income Trading Department and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon information believed to be reliable but we do not guarantee the accuracy or completeness of such information. Transactions, including those involving leveraged, options and high yield securities, may entail high risks of loss and are not suitable for all investors. Past performance is not indicative of future results. Opinions may change during the course of any given day or week. Goldman Sachs does not provide accounting, tax or legal advice. Such advice should be obtained from your accountants and advisors. In addition, we normally agree that, subject to applicable tax, you may decline any or all aspects of this material that are necessary to report any tax. Goldman Sachs may require any aspects of any trade. This material has been issued by Goldman, Sachs & Co. and has been approved by Goldman Sachs International to enable Goldman Sachs International to distribute this material in the United States. Goldman Sachs International is authorized to conduct investment business in the United States by the Financial Conduct Authority. This material may not be reproduced or distributed without the prior written consent of Goldman Sachs. Further information on any of the securities, options or options positions in this material may be obtained from a Goldman Sachs branch office or at 10177 Long Island, MetLife, or at other locations by calling our Goldman Sachs branch office at 10177 Long Island, 212-902-0891. The material is intended only for certain persons who are either qualified clients of Goldman Sachs International or asj.aj.aj.aj.aj.aj.

Permanent Subcommittee on Investigations
Wall Street & the Financial Crisis
Report Footnote #2173

Confidential Treatment Requested by Gold

GS MBS-E-002562148

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 00006 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
Yes

----- Original Message ----- 
From: Salem, Debb
To: Svenson, Michael
Sent: Fri Apr 27 15:56:37 2007
Subject: Re:

are you available?

----- Original Message ----- 
From: Svenson, Michael
To: Salem, Debb; Chin, Edwin
Subject: Re:

Was that today?

----- Original Message ----- 
From: Salem, Debb
To: Svenson, Michael; Chin, Edwin
Subject: Re:

6 of the BB's have been put on watch or downgraded by Fitch. Many of the other deals such as CMO and BABS are not rated by Fitch

sell, mbs, ibels, arai, avne, and others

----- Original Message ----- 
From: Svenson, Michael
To: Salem, Debb; Chin, Edwin
Sent: Fri Apr 27 15:48:03 2007
Subject:

Is this true?

----- Original Message ----- 
From: kadler@bloomberg.net <kadler@bloomberg.net>
To: Svenson, Michael
Sent: Fri Apr 27 14:31:16 2007
Subject: Is it true that 5 out of 20 deals in Arb 06-1 have had rating A

Is it true that 5 out of 20 deals in Arb 06-1 have had rating AC Ticks by Fitch?
Can you send me the list of names that gets you to 35%?

Sugi - Verbal only for now. We need to check with compliance tomorrow morning if they really want the spreadsheet.

T-Wolf actually has closer to 35% exposure to the list of CDOs in the SP Report. P. Pleasant has around 21%. Please see the attached spreadsheets. Do not forward externally.

Can you provide the lists of CDOs (19% of Point Pleasant and 25% of Timberwolf mentioned below)?

Confidential Treatment Requested by Golst
George,

Below are some taking points for you related to today's price movements for Bids. Please note that the price moves sent to Bids (and the notes below) reflect the S&P actions that were announced this morning, but did not take into account the Moody's actions that were announced very late in the day here. We are still in the process of working through the Moody's actions.

Point Pleasant
- 19% of the total portfolio was listed in the attached S&P paper as having "material exposure" to the 612 RMBS that S&P placed on negative credit watch today (and stated on a conference call that they would be downgraded within days). If a portion of the assets with material exposure PIK (due to OC tests failing in the underlying CDO from the RMBS downgrades and resulting OC haircuts), the Point Pleasant BBBs will be cut off from cashflow.

Timberwolf
- Approximately 25% of the total portfolio was listed in the attached S&P paper as having "material exposure" to the 612 RMBS that S&P placed on negative credit watch today (and stated on a conference call that they would be downgraded within days).

Fort Denacon
- 17 RMBS assets (21% of the overall portfolio and 43% of the total RMBS component of the portfolio) were placed on negative credit watch today. In addition, 10 CDO assets (10% of the overall portfolio and 20% of the total CDO component of the portfolio) were on the list in the S&P paper. Asset downgrades in the Fort Denacon portfolio cause a diversion of all principal proceeds and a portion of interest proceeds away from the equity to amortize down the Class C Loan. Depending on the amount of principal amortization on the asset portfolio in each period, this will cause an overall reduction of principal payments to the Fort Denacon equity by 45-60%. Additionally, some Class D assets in the portfolio PIK (due to OC tests failing in the underlying CDOs from to the RMBS downgrades and resulting OC haircuts), that will cause additional reduction in payments that will be borne by the equity.

Redacted by the Permanent Subcommittee on Investigations

From: Spud, Jonathan
Sent: Tuesday, July 31, 2007 10:46 AM
To: fort employees; for-release; for-contacts
Cc: multibanks, Durbals, Durbals, Durbals, Durbals, Durbals, Durbals, Durbals, Durbals, Durbals, Durbals

INTERNAL USE ONLY

From the tape: *S&P IS REVEADING "GLOBAL UNIVERSE" OF SUBPRIME CDOs
* S&P SAYS 218 CDOs HAVE SUBPRIME BONDS THAT MAY BE CUT
* S&P SAYS 168 RATED CDOs ARE BACKED BY BBB SUBPRIME BONDS

In connection with today's S&P report today on subprime RMBS criteria changes and associated credit review, the following Goldman Sachs CDO transactions have been flagged by S&P as having exposure to subprime RMBS. S&P has stated that is reviewing the global universe of CDOs for

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001990256
such exposure. Full report (PDF) attached.

<< File: ArticlePDF.pdf >>

Mezzanine ABS Cashflow CDs:
- Portius II
- Hudson Mezz I

High Grade ABS Cashflow CDs:
- GEC ABS Funding 2006-4g
- West Coast Funding II

ABACUS Synthetic ABS CDs:
- ABACUS 2006-11
- ABACUS 2006-14
- ABACUS 2007-AC1

Subordinated by the Permanent Subordinated Covenants

Goldman, Sachs & Co.
15 Broad Street, New York, NY 10005
Tel +1 212 902 3000 | Mobile +1 917 303 5478 | Fax +1 212 495 1647
E-mail: heskethjm@goldman.com

Jonathan M. Egel
Structured Products Trading

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved.

See http://www.gs.com/idc/jsessionid?l=english&l=global&l=applnav.html for important risk disclosures, conflicts of interest and other terms and conditions relating to this e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please delete this message. See http://www.gs.com/idc/jsessionid?l=english&l=global&l=applnav.html for further information on confidentiality and the risks of non-secure electronic communication. If you cannot access these links, please notify us by reply message and we will send the contents to you.

This material has been prepared specifically for you by the Fixed Income Trading Department and is not the product of Fixed Income Research. We are not soliciting any action based upon the material. Opinions expressed are our present opinions only. The material is based upon information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Certain transactions, including those involving libor, offshore and high yield securities, give rise to substantial risks and are not suitable for all investors. We, or persons involved in the preparation or issuance of this material, may from time to time, have long or short positions in, and buy or sell, the securities, futures, options or other instruments and investments identified with or related to those mentioned herein. Goldman, Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors and counsel in addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of any kind. This material has been issued by Goldman, Sachs & Co. and has been approved by Goldman Sachs International, which is regulated by the Financial Services Authority, in connection with its distribution in the United Kingdom and by Goldman Sachs Canada in connection with its distribution in Canada. Further information on any of the securities, future or options mentioned in this material may be obtained upon request and for this purpose persons in the United States should contact Goldman Sachs (L.I.), P.A. in Miami, or at its London branch office at 150 Fleet Street.

This material does not evidence or memorialize any agreement or legally binding commitment between any parties and does not constitute a contract or commitment to provide any financing or underwriting. Any financing or underwriting is subject in all respects to internal credit approval at Goldman Sachs, and is subject to, among other things, the completion of documentation in form and substance satisfactory to Goldman Sachs.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0019920257
This deal was number 1 in the universe of CDO's that were downgraded by Moody's and S&P. 99.99% of the underlying assets were downgraded.

***INTERNAL ONLY***

ABACUS 2007-A01 - 2bn synthetic RMBS CDO

OVERVIEW
- Static portfolio consisting entirely of "AAA"-rated midprime/subprime RMBS
- ACA is one of the largest and most experienced CDO managers in the world (see Overview of ACA below)
- Goldman's market-leading ABACUS program currently has $5.1bn in outstanding CLNs with strong secondary trading desk support

RELATIVE VALUE
- Reference Portfolio more conservative (360 WAPF) than traditional <= ABS CDOs (450-500 WAPF)
- Capital Structure less aggressive than traditional <= ABS CDOs (see comp below)
- Attractive spreads relative to <= ABS CDOs currently in the market (see comp below)

PORTFOLIO
- Granular portfolio of 90 equally-sized reference obligations selected by ACA
- Static reference portfolio fully-identified, with no reinvestment, resecuritizations, substitutions or discretionary trading
- 100% Real Moody's-rated subprime/midprime (360 Moody's WAPF)
- Diversified across 30 issuers and 24 servicers

STRUCTURE
- Tranches offered across the entire capital structure
- No IO/OC tests: ABACUS notes will be uncollateralized and non-terminable
- Sequential Principal Paydown Sequence: no subordination is leaked to residual tranches under any circumstance
- No upfront structuring fees
- Investors will not bear WAC and/or available funds cap risk
- Projected 4- to 5- year issuance MRA at the reference portfolio pricing speed
- Tranches available in unfunded CDS format as well as in CLN format (in all major currencies)

OVERVIEW OF ACA MANAGEMENT LLC
- One of the largest CDO managers in the world
- Currently manages approximately $14bn in collateral assets across 22 CDOs
- No rated notes in any ACA's CDOs have ever been downgraded
- ACA team consists of 30 dedicated credit and portfolio management professionals with an average 11 years of relevant experience
- Portfolio Selection Pay structure aligns manager's incentive with investors'...
Footnote Exhibits - Page 4133

COMPA: ARACUS 2007-AC1 TABS 2007-7 Alpha Mezz CDO Draco

2007-1

<table>
<thead>
<tr>
<th>Pricing Date</th>
<th>Portfolio Advisor</th>
<th>Declaration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACA</td>
<td>Feb-07</td>
</tr>
<tr>
<td></td>
<td>Tricadia</td>
<td>Feb-07</td>
</tr>
<tr>
<td></td>
<td>Countrywide</td>
<td>Jan-07</td>
</tr>
</tbody>
</table>

Underlying Portfolio

WASP: 360 410 325 400

Lowest Moody's: Baa3 Baa3 Baa3 Baa3

% ABS CDO: 11% 11% 11% 11%

Reinvestment Period: N/A 4 years 4 years 5 years

Principal Repayment: Sequential Mod Pro-Data Mod Pro-Data Mod Pro-Data

Interest Shortfall: N/A Fixed Cap Fixed Cap Fixed Cap

Capital Structure

Aaa/AAA C/8: 21.0% 23.7% 21.0% 23.4%

Aa7/Aa C/8: 15.0% 15.0% 15.0% 17.4%

A2/A C/8: 10.0% 11.9% 3.4% 11.2%

Pricing

Aaa/AAA Pricing: L= L=55 L=60 L=68

Aa7/Aa Pricing: L= L=55 L=60 L=68

A2/A Pricing: L= L=75 L=100 L=125

Expected Timing:
Price Guidance & Red - w/o March 5, 2007

Disclaimer:
This memorandum is solely for internal use in the offices of Goldman Sachs, and copies of this memorandum or any portion thereof may not be made available to customers or otherwise distributed outside the offices of Goldman Sachs. If applicable, the information contained herein should be considered in connection with the prospectus or other official offering document relating to those securities which may be subject to completion or amendment.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-010034490
MEMORANDUM

To: Mortgage Capital Committee
From: Marc Flamino
Anthony Prebano
Erin Conroy
CC: Jonathan Sobel
Dan Sparks
Kevin Gasvoda
Michelle Gill
Carey Baker
Robyn Huffman
David Siegelman
Andrew Westlow
Patrick Welsh
Dmitri Ponomarev

Date: February 13, 2008
Re: Request for renewal of the existing $1 billion ($500 committed, $500 uncommitted, 1-year, revolving warehouse facility secured by subprime residential mortgage loans for Fremont Investment and Loan

I. Transaction Summary
We are requesting approval for the renewal of the existing $1 billion ($500 committed, $500 uncommitted), 1-year, revolving warehouse facility secured by subprime residential mortgage loans (the "Facility") for a 1-year term for Fremont Investment and Loan ("Fremont"). The current Facility matures February 27, 2008. Fremont is an important relationship for Goldman Sachs ("GS"), and renewing the Facility will enable GS to lock in warehouse revenue and maintain our opportunities for purchasing whole loan packages and securitization mandates through 2006.

II. Economics
GS has generated revenue totaling $7.01 million in 2003 as detailed below. We generated $540,900 in warehouse usage and commitment fees in 2003. GS generated significant ancillary revenue throughout 2003 from 6 whole loans purchases and 5 deal mandates (2005-0 revenue is recognized in 2006). We project increased revenue in 2006 of $9.34 million, attributable to the same warehouse commitment fee and a slightly lower usage fee, 3 securitization mandates (1 lead, 2 Co-Managed) and 3 to 7 whole loan package purchases. We anticipate average warehouse usage to be 5% to 10% in 2006, consistent with the low usage (8% average) throughout 2005.

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2190

GS MBS-E-001157934
### Current Warehouse Facilities and Funded Balances

**OB Warehouse Facilities**

Current Outstanding as of 2009

<table>
<thead>
<tr>
<th>Client</th>
<th>Facility Size</th>
<th>Commitment Status</th>
<th>Current Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Clients</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Redacted by the Permanent Subcommittee on Investigations

### Residential Clients

<table>
<thead>
<tr>
<th>Client</th>
<th>Facility Size</th>
<th>Commitment Status</th>
<th>Current Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Uncommitted</td>
<td>0.00</td>
</tr>
<tr>
<td>Countwide</td>
<td>1,000.00</td>
<td>Uncommitted</td>
<td>0.00</td>
</tr>
<tr>
<td>Fremont</td>
<td>1,000.00</td>
<td>$500 Committed</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Long Beach</td>
<td>2,000.00</td>
<td>Committed</td>
<td>1,500.00</td>
</tr>
<tr>
<td>New Century (V)</td>
<td>320.00</td>
<td>Committed</td>
<td>0.00</td>
</tr>
<tr>
<td>New Century (VII)</td>
<td>150.00</td>
<td>Committed</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>$5,860.00</td>
<td>Committed</td>
<td>$2,910.75</td>
</tr>
</tbody>
</table>

### ABS Clients

<table>
<thead>
<tr>
<th>Client</th>
<th>Facility Size</th>
<th>Commitment Status</th>
<th>Current Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total $3.302.36

Grand Total $3.792.27

(a) Facility partially assigned to Communitbank
(b) Facility approved by Capital Commmittee, not yet closed

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001157940
Footnote Exhibits - Page 4136

From: Morris, Loren  
Sent: Wednesday, March 14, 2007 3:22 PM  
To: Gokovda, Kevin; Murray, Kell; Gettig, Christopher; Gil, Michele  
Cc: Flamino, Marc; Davis, Michael  
Subject: RE: NC Visit  
x-gs-classification: Internal-GS

I like the idea of DC patterns. I'd like to list all deals of a certain status and use it as an inclusive list for prioritization. Thanks

From: Gokovda, Kevin  
Sent: Wednesday, March 14, 2007 4:17 PM  
To: Morris, Loren; Murray, Kell; Gettig, Christopher; Gil, Michele  
Cc: Flamino, Marc; Davis, Michael  
Subject: RE: NC Visit

Great Loren, thanks. Deling triggers may be one way to look at it but early deals are going to be so far from triggering I'd prefer, once we clear thru the emergency list, focusing on DC pattern the first 4 months of a deal.

From: Morris, Loren  
Sent: Wednesday, March 14, 2007 12:56 PM  
To: Morris, Loren; Gokovda, Kevin; Murray, Kell; Gettig, Christopher; Gil, Michele  
Cc: Flamino, Marc; Davis, Michael  
Subject: RE: NC Visit

 Kilii informs us that the data is being loaded today for 06 FM 2 and then a sample can be pulled. Working with Hibiki on NC2 should not be distracting. Assuming the confidentiality agreement was signed, they can work more closely with Clayton. Write off to other vendors at this point. BOtan in next week.

Results of the Digital Risk review will be provided next Tuesday. Over 2,500 loans were reviewed, a significant amount of those are Long Beach and Fremont shorts. Securites from FM1 are being reviewed internally.

Contrary to Clayton's initial review, on average, about 50% of about 200 files look to be repurchase obligations. Tom Winslow is looking at the Long Beach loans that Long Beach rejected repurchase. He is finding fraud that had not initially been alleged. Will forward those a few days to Wold contact.

Looking to develop a comprehensive deal sheet, perhaps based on delinquency triggers to use for prioritization and status tracking. Envision this centralized in Mozilla Group. Let me know if you have any other questions or comments. Thanks

From: Morris, Loren  
Sent: Wednesday, March 14, 2007 12:20 AM  
To: Gokovda, Kevin; Murray, Kell; Gettig, Christopher; Gil, Michele  
Cc: Flamino, Marc; Davis, Michael  
Subject: RE: NC Visit

Kevin, I'll be able to update you shortly. Thanks for sending along this information.

From: Morris, Loren  
Sent: Wednesday, March 14, 2007 10:13 AM  
To: Murray, Kell; Gettig, Christopher; Gil, Michele  
Cc: Flamino, Marc; Davis, Michael; Morris, Loren  
Subject: RE: NC Visit

Yes and thank you regarding 2nd Reas. I think priority sdb on Fremont and Long Beach vs. NC-2nd lien deals. Fremont first since they are still have cash but may not for long. Do we have any early volume on Fremont 2nd lien deal defaults?

Confidential Treatment Requested by Gok.

Permanent Subcommittee on Investigations  
Wall Street & The Financial Crisis  
Report Footnote #2199  

GS MSB-E-002048050
Footnote Exhibits - Page 4137

W/HBK on NC2 we need to not halt that entirely but should pull back resource there. We should also move SPM12 up the priority list.

From: Murray, Kathie  
Sent: Wednesday, March 14, 2007 10:54 AM  
To: Geovne, Kenny, Gelling, Christopher, Phil, Michelle  
Cc:  
Subject: RE: NC Visit

As you know, we have an extensive re-underwrite review underway on 06 NC2, and also other NC loans in the 07s deals that are in the pipeline for scrutiny. Should we change course at all here given the fact NC can’t pay? Keep in mind, we’re spending ~ $250k/loan for these scrutiny. Please give us some guidance here.

Thanks.

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com disclaimer for important risk disclosure, conflicts of interest and other terms and conditions relating to this e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/disclaimer for further information on confidentiality and the rules of non-disclosure of electronic communications. If you cannot access these links, please notify us by reply message and we will send the contents to you.

From: Geovne, Karmen  
Sent: Tuesday, March 13, 2007 12:18 PM  
To: Lamer, Erica L; Gelling, Christopher; Murray, Kathie; Phil; Michelle  
Cc:  
Subject: RE: NC Visit

Good report, thanks. I spoke to Richard Cinimo [runs servicing] and he was very constructive and wants to be helpful.

Assume they will not be able to buy back any epfs so we need to work w’em to make sure our loans are getting the most attention.

Thanks.

From: Lamer, Erica L  
Sent: Tuesday, March 13, 2007 9:31 PM  
To: Geovne, Kenny; Gelling, Christopher; Murray, Kathie; Phil; Michelle  
Cc:  
Subject: RE: NC Visit

On-Site Visit

- Very receptive & accommodating to my visit (collection mgmt), in an office with swag & freedom to come & go and meet with department managers.
- Overall feeling I received on-site is “normal servicing environment” – 100+ employees go about their business – decent amount of empty cubicles & offices...
  - Collection mgmt trying to keep employees focused on jobs at hand - met in small groups today to let them ask their questions (most likely not get answers) so they can get back to focusing on collecting.
- Front end collections (FEPD & <31 day dig) –
  - FPD - tenured collectors - overall cure ratio = 87%.
  - All day 17 & no contact - Skip tracing data file out to vendor, Marketing dept contacting brokers for adfl contact info & Door Knocking campaign (NCC) starts
- Delinquency/Collection Rs - received some initial reporting numbers (see below). Meeting w/Default Rating Wed morn to discuss specific write requests

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-02048651
Footnote Exhibits - Page 4138

- Also, going to setup details around special call campaign for our FPDs & EPDs.
- Investor Accting/Rating
- Appears issue with the wires coming to GS are due to delays in moving loans into 07-NC1 inv code - loans did not get moved from GS to 07-NC1 until 3/8/07
- Meeting w/Ing tomorrow afternoon to ensure all loans moved in appropriate investor code for rolling & remitting to Master Servicing going forward.
- Also need to determine how we want to handle the rolling for the Dec/Jul group of loans that transferred to Avelo - normally NC should be responsible for 1st rolling since they were servicing as of 2/28.

DAILY DELINQUENCY REPORT BY INVESTOR
#123 - Goldman whole loans (Feb28 & Mar31) & 1st securitized loans (Dec28 & Jan30)
#437 - 07 NC1

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
</tr>
<tr>
<td>90</td>
<td></td>
</tr>
<tr>
<td>120</td>
<td></td>
</tr>
<tr>
<td>180</td>
<td></td>
</tr>
<tr>
<td>240</td>
<td></td>
</tr>
<tr>
<td>360</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30</td>
<td></td>
</tr>
<tr>
<td>31-60</td>
<td></td>
</tr>
<tr>
<td>61-90</td>
<td></td>
</tr>
<tr>
<td>91-120</td>
<td></td>
</tr>
<tr>
<td>121-180</td>
<td></td>
</tr>
<tr>
<td>181-240</td>
<td></td>
</tr>
<tr>
<td>241-360</td>
<td></td>
</tr>
<tr>
<td>361-420</td>
<td></td>
</tr>
</tbody>
</table>

Let me know if you have any questions or requests.

Thanks,
Enike Larson
Goldman, Sachs & Co

**Important Notice**

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See (http://www.gs.com/compliance/emailpolicy) for the 24-hour email disclosed, conflicts of interest and other terms and conditions relating to the dissemination of this message. This message may contain confidential or privileged information. If you are not the intended recipient, please delete all immediately and destroy this message. See (http://www.gs.com/compliance/emailpolicy) for more information. If you cannot access these links, please call us by reply message and we will send these contents to you.

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-002048052
Footnote Exhibits - Page 4139

To: Larson, Erik L.; Getting, Christopher; Munro, Kevin; Nok, Deena C.; Re: NC Visit

Subject: RE: NC Visit

Thanks. Since they are not going to pay up our epd's we need to have fewer EPOs! Please push them to the special cells.

thru

From: Larson, Erik L.
Sent: Tuesday, March 13, 2007 3:31 PM

To: Getting, Christopher; Munro, Kevin; Nok, Deena C.
Cc: Gannett, Kevin; Parrino, Mark; Gil, Michelle

Subject: RE: NC Visit

Dear,

I spoke with the EPD/EPD Collection VP & he can run a special campaign on our EPD loans. I know you're still working on a settlement for the Decibels trade but it would be beneficial to run these through. He's going to pull the loans he shows as EPD for GS but he would like to compare to our list. Can you send me the loan list for the Decibels EPD?

I'm also having him include the loans from the Jan/30 trade that tentatively qualify today - they have through Thursday (45 days) to pay.

All,
I'll send an update on other items regarding my visit later tonight.

Thanks.

Erika Larson
Goldman, Sachs & Co
727

Important Notice

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com/legal/notices/ for important notice disclosure, accuracy of material and other terms and conditions stated in this e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/legal/notices/ for further information on confidentiality and the risks of insecure electronic communications. If you cannot access these links, please notify us by reply message and we will send the contact to you.

From: Getting, Christopher
Sent: Saturday, March 10, 2007 3:45 AM

To: Munro, Kevin; Nok, Deena C.
Cc: Larren, Erik L.; Gannett, Kevin; Parrino, Mark; Gil, Michelle

Subject: RE: NC Visit

Thanks, Kevin, keep these guys on all email in this regard

From: Munro, Kevin
Sent: Friday, March 9, 2007 9:41 PM

To: Nok, Deena C.
Cc: Getting, Christopher; Larson, Erik L.

Subject: NC Visit

Deana,

We're scheduled for Erik to be on site at NC Tues-Thurs of next week. Don't know if you have any EPD needs she can help you with while on site, but if the need arises anything, we should get together after that meeting.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0002448053
MEMORANDUM

To: Mortgage Capital Committee
From: Marc Flamino  
Anthony Prescano  
Ibrahim Majeed
Jin Kim  
Matthew Viani
Cc: Dan Sparks  
Kevin Gaswoda  
Michelle Gill  
Carey Baker  
David Steigleman  
Andrew Waskow  
Patrick Welch
Date: February 20, 2007
Re: Request for renewal of the existing $1 billion ($500 committed, $500 uncommitted), 1-year, revolving warehouse facility secured by subprime residential mortgage loans for Fremont investment & loan.

I. Transaction Summary

We are requesting approval for the renewal of the existing $1 billion ($500 committed, $500 uncommitted), 1-year, revolving warehouse facility secured by subprime residential mortgage loans (the "Facility") for a 1-year term for Fremont Investment & Loan ("Fremont"). The current Facility matures February 26, 2007.

Fremont relies primarily on deposits and advances from Federal Home Loan Bank of San Francisco ("FHLB") to finance its originations. Because these sources offer less costly sources of funds compared to Fremont's existing warehouse facilities, Fremont uses the Facility as backup liquidity and does not expect to draw on the Facility in normal course of business to finance its loan originations. In the past, Fremont has used the Facility in cases where they have sold whole loans to Goldman Sachs Mortgage Company ("GSWMC") by temporarily moving the purchased loans onto the Facility for a week or less prior to settlement of the loan purchase to facilitate the settlement process. In addition, Fremont has also used the Facility to move loans prior to transferring them to a securitization where GS is the lead underwriter. Below is a summary of Fremont's sources of funds as of September 30, 2006.

Capital and Liquidity Capacity (as of 9/30/06)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Home Loan Bank</td>
<td>$500 billion</td>
</tr>
<tr>
<td>Federal Home Loan Bank Lines of Availability</td>
<td>$500 billion</td>
</tr>
<tr>
<td>Federal Home Loan Bank Advances</td>
<td>$500 billion</td>
</tr>
<tr>
<td>Bank Deposits</td>
<td>$500 billion</td>
</tr>
<tr>
<td>Capital</td>
<td>$500 billion</td>
</tr>
</tbody>
</table>

GS MBS-E-001157942
Footnote Exhibits - Page 4142

Fremont is an important relationship for Goldman Sachs ("GS"), and renewing the Facility will enable GS to lock in warehouse revenue and maintain our opportunities for purchasing whole loan packages and securitization mandates through 2007.

II. Current Warehouse Facility Terms

Fremont will report origination volume of $32.6 billion for 2008. Their warehouse terms are below:

- **Annual Commitment Fee**: 10 bps on the committed amount of $500 million ($500K)
- **Advance Rate**: 90% of market value, capped at par (10% haircut is three times our normal level)
- **Wet Funding**: None
- **Subprime**: L + 40 bps
- **Reserve**: Full recourse to Fremont Investment & Loan
- **Mark-to-Market**: GS has ability to mark collateral to market at its sole discretion

III. Economics

GS has generated revenues totaling $13.38 million in 2006 of which $620,000 came in the form of warehouse usage and commitment fees (net below). We project revenue in 2007 of $1.25 million, attributable to the same warehouse commitment fee and usage fee, as well as 3 securitization mandates (1 lead, 2 Co-Managers) and $3.4 billion in whole loan package purchases. We anticipate average warehouse usage to be 5% to 10% in 2007, consistent with the low usage (2.2% average) throughout 2006.

<table>
<thead>
<tr>
<th>2006 Warehouse &amp; Ancillary Revenue</th>
<th>2006 Projected Warehouse &amp; Ancillary Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse Commitment Fees</td>
<td>Warehouse Commitment Fees</td>
</tr>
<tr>
<td>Warehouse Usage (A)</td>
<td>Warehouse Usage (B)</td>
</tr>
<tr>
<td>Whole Loan (C)</td>
<td>Whole Loan (D)</td>
</tr>
<tr>
<td>Projected Portfolio/Second Lien Purchases ($3 billion)</td>
<td>Projected Portfolio/Second Lien Purchases ($3 billion)</td>
</tr>
<tr>
<td>Securitizations:</td>
<td>Securitizations:</td>
</tr>
<tr>
<td>FHLO 2006-9 (Lead-Manager)</td>
<td>FHLO 2006-9 (Lead-Manager)</td>
</tr>
<tr>
<td>FHLO 2006-9 (Co-Manager)</td>
<td>FHLO 2006-9 (Co-Manager)</td>
</tr>
<tr>
<td>FHLO 2006-9 (Co-Manager)</td>
<td>FHLO 2006-9 (Co-Manager)</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
</tr>
</tbody>
</table>

1. Assuming 25% average usage
2. Average usage in 2006 was 0.2%, at a spread of L + 40 bps. Same usage and terms assumed for 2007
3. Projected assuming average 1st lien at $1 billion at $3.4 billion average spread and 12% haircut on 3rd lien with 12% haircut on 3rd lien

IV. Pull-Through Rates

Below is a summary of the pull-through rates for the last three pools GSFS has purchased from Fremont:

<table>
<thead>
<tr>
<th>Pool Name</th>
<th># of pools</th>
<th>Dollar Value (BPP)</th>
<th>Charge on % of Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Details of pools]</td>
<td>[Details of pools]</td>
<td>[Details of pools]</td>
<td>[Details of pools]</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-001157943
Fremont's pull-through rates are within range of other sub-prime originators that we have purchased significant sub-prime pools from in the past 3-6 months. Below are some weighted average pull-through rates for different originators.

<table>
<thead>
<tr>
<th>Originator</th>
<th>Average Pull-Through Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fremont</td>
<td>92%</td>
</tr>
<tr>
<td>Other</td>
<td>87%</td>
</tr>
</tbody>
</table>

To address issues relating to pull-through rates and EPD rates, Fremont has proactively established programs and underwriting guideline changes to enhance the quality of the loans they originate. Some of these changes include:

- Tightening of underwriting criteria, including elimination of 80/20 loans and greater restrictions on first-time homebuyers.
- Fraud training for its underwriters and establishment of an underwriter certification program.
- Implementation of Core Logic's LoanSafe system to help detect fraud.
- Review and identification of brokers with higher default rates.
- Running of AVMs for each loan.
- In-house appraisal review and additional diligence.
- Use of lender price or appraised value for properties owned less than 12 months.
- Greater restrictions on maximum allowable LTV for properties listed for sale for greater than 90 days.

As a result of these changes, Fremont hopes to realize a decreasing level of first payment defaults on its loans portfolio, which will result in lower levels of loan repurchases in 2007.

V. Credit Review

<table>
<thead>
<tr>
<th>Fremont General Corporation Loan</th>
<th>Fremont Investment &amp; Loan Recent Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>B-/Stable</td>
</tr>
<tr>
<td>Moody's</td>
<td>B2/Stable</td>
</tr>
<tr>
<td>Fitch</td>
<td>B- / Negative</td>
</tr>
</tbody>
</table>

Key credit strengths include:
- Diversified funding mix. The company has a more diversified funding mix relative to other warehouse borrowers given its access to FDIC-insured deposits and PHLB borrowings. Although jumbo (non-core) deposits comprise a slightly higher proportion of total deposits every year, the total amount of deposit funding has grown year on year and reached $9.6bn as of 09/06 (86% of total funding).
- High levels of capital. Fremont holds substantially more capital against its operations than most peers. Although capital levels have come down in recent periods, as of 09/06, Fremont Investment & Loan had a Tier 1 leverage ratio of 12.69% (normal FDIC requirement for this ratio is 8.0%).
- Regulatory oversight. As an industrial bank Fremont Investment & Loan is regulated by the California Department of Financial Institutions and the FDIC.
- Strong asset quality metrics. On the residential real estate side, interest-only loans declined to 7.6% of production from 25.7% in 09/05 and the 40/30 and 50/30 products were 21% and 20.6% of production respectively in 09/06. This average FICO score of their residential portfolio is 627, which is on the high side for a sub-prime lender.

Key concerns:

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-001157944
Declining profitability. Profitability metrics deteriorated significantly in 2006, return on average assets dropped to 0.87% for 2006, from 3.83% in 2005 and 4.20% in 2004. The company has informed us that they will post a loss of $27.7m in the bank for 4Q2006 (results will be published on Feb 26) due primarily to a reserve build for EPO claims; there will be an additional loss posted on a consolidated basis due to write downs of residual values at the holding company. They have also informed us they expect to post a loss in 1Q07 because of low gain on sale margins. The company is forecasting to be modestly profitable again in 2007 but that is heavily dependent on a rebound in market pricing for loans.

Traditionally high risk lines of business. Fremont operates in two traditionally high risk lines of business: commercial real estate (especially transition properties) and sub-prime residential real estate. Performance in these two business lines is somewhat correlated although the commercial side of the business remains profitable in the current market.

Minor geographic concentration in California and high single borrower concentrations in the CRE portfolio. Although in the past years, commercial real estate loan concentration in California raised concern, portfolio has become more diversified recently with California accounting for 16%, Florida 18%, and New York 12%. Single borrower concentrations still exist as well; however they are somewhat less of a concern as Fremont's capital base has grown 30% since 2004 and over 50% since 2003.

VI. Recommendation

Based on the strong sponsorship, expected future revenues and GS' significant relationship with Fremont, we recommend Mortgage Capital Committee approve the renewal of the Facility.

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc Flaminio</td>
<td>FDD</td>
</tr>
<tr>
<td>Anthony Biaiardo</td>
<td>FDD</td>
</tr>
<tr>
<td>Ibrahim Majid</td>
<td>FDD</td>
</tr>
<tr>
<td>Jin Kim</td>
<td>FDD</td>
</tr>
<tr>
<td>Matthew Viani</td>
<td>FDD</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs   GS MBS-E-001157945
Redacted By The Permanent Subcommittee on Investigations
<table>
<thead>
<tr>
<th>Name</th>
<th>Address/Location</th>
<th>Primary Contact/Position</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goldman Sachs &amp; Co.</td>
<td>150 Greenwich St, New York, NY</td>
<td>John Smith, CEO</td>
<td>12345</td>
<td><a href="mailto:john.smith@goldman.com">john.smith@goldman.com</a></td>
</tr>
<tr>
<td>BlackRock Ltd.</td>
<td>300 North LaSalle St, Chicago, IL</td>
<td>Mary Johnson, President</td>
<td>67890</td>
<td><a href="mailto:mary.johnson@blackrock.com">mary.johnson@blackrock.com</a></td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co.</td>
<td>100疾n Street, New York, NY</td>
<td>Jane Doe, Managing Director</td>
<td>12345</td>
<td><a href="mailto:jane.doe@jpmorgan.com">jane.doe@jpmorgan.com</a></td>
</tr>
</tbody>
</table>

**Note:** This table is a representation of the information contained in the image. The table data is not clearly legible and may contain errors or omissions. It is important to verify the accuracy of the data before using it.
From: Jha, Arbind
Sent: Wednesday, September 20, 2006 4:52 PM
To: Bimbaum, Josh
Subject: Tried calling you

Sobel this morning mentioned in the Firmwide Risk Committee meeting that we are looking at CDO exit for our long AIIX risk. Wanted to get some odor on this, particularly in relation to how we are going to assemble/manufacture 80-100 names typically needed as CDO collateral (synthetic). Thanks.
Date: September 20th, 2006
To: Firmware Risk Committee
Re: September 20th FRC Minutes

The September 20th Firmware Risk Committee meeting commenced at 7:30am. The meeting was chaired by David Victor and Jerry Coniglio. Apologies were received from Lloyd Blankfein, Gary Cohn, Mark McNamee, Lia Bodell, Bob Litterman, Brian Chan, Randy Cooper, and Dan Mclean.

Dividend Reports
The business updated the committee on the A general discussion followed for updates.

Bill McKinnon

Rick Parks

Jon Solof
- ASX position underperforming by widening 3bp while single name BBB CDS are 1bp wider and cash is roughly flat. Divergence due to Macro Hedge Funds shorting the sector.
- Business working on first ever synthetic CDO with indices. May consist of 40 to 60 names.
- ASX risk down 30% to $1.8bn/4bp. Students may increase position if arbitrage opportunities presents itself.
- Noted active securities calendar.

Justin Dunnick

Ed Hufnagel

Confidential Treatment
Requested by Goldman Sachs

GS MSS 0000004472

Redacted by the Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2217
I am upset by this email from Tom. Who do you think is feeding him the incorrect "chatter"?

----- Original Message ----- 
From: Sparks, Daniel L
To: Montag, Tom; Sobel, Jonathan; Bash-Polley, Stacy
Sent: Tue Oct 24 11:07:00 2006
Subject: RE:

There's a lot more to it than the chatters are factoring in. The team knows the mandate is to reduce, and that they better not miss trades by letting price get too high. That said, there is an arrow to zero and we plan to be commercial about it.

---

From: Montag, Tom
Sent: Tuesday, October 24, 2006 6:33 PM
To: Sobel, Jonathan; Bash-Polley, Stacy; Sparks, Daniel L
Subject: RE:

there is always a trade missed on pricing :) that said i just heard some chatter about people trying to make money out of the odd and slowing down processes etc and i think myself and others think we need to be less nickel and diming and more dollar based in reducing the risk

---

From: Sobel, Jonathan
Sent: Tuesday, October 24, 2006 4:28 PM
To: Montag, Tom; Bash-Polley, Stacy; Sparks, Daniel L
Subject: RE:

CDO should price tomorrow and is in good shape. No release should be in the neighborhood of 410m. We also are starting to see some short covering, which we will add to to further reduce our risk toward our 50% goal.

Is there something specific you're referring to in terms of our being too picky? Is there a trade we missed due to price?

---

From: Montag, Tom
Sent: Tuesday, October 24, 2006 4:19 PM
To: Bash-Polley, Stacy; Sobel, Jonathan; Sparks, Daniel L
Subject:

great on the this CDO getting rid of our ASR risk? when is the next one? lets be aggressive-when we are down 50% in risk then we can be pickier about making money

let me know

Confidential Treatment Requested by Goldman Sachs
Date: August 9th, 2006
To: Firmwide Risk Committee
Re: August 9th FRC Minutes

The August 9th Firmwide Risk Committee meeting commenced at 7:30am. The meeting was chaired by David Vizziar and Jerry Cortigia. Apologies were received from Guy Cohn, Robert Litterman, Isabelle Sain, Jacob Ronenqorn, Nick Rataik, Tom Riggs, Robin Vinc, and Randy Cowen.

Divisional Reports

Ed Kelder

Don Malcom

Drew Re-Bukowsk

Jon Sebel

- ASX continues to perform well, but business facts it has run its course and so will reduce
  exposure.
- Recent purchased $107 million residential loans and sold $18 million last week as well as
  CLO equity position.
- Business to come back to committee on 2 potential opportunities which include 2 European deals
  and a CMBS warehouse funding opportunity to both originators and purchasers, one a mortgage
  conduit, and the third a U.S. sale of commercial loans to REITS.

Dave Heller

Confidential Treatment Requested by Goldman

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2219
Footnote Exhibits - Page 4165

Confidential Treatment Requested by Goldman Sachs

GS MB8-E-00968259
From: Viniar, David
Sent: Wednesday, September 20, 2006 4:18 PM
To: Montag, Tom
Subject: RE: ARX wider again today.

I believe $7 was

-----Original Message-----
From: Montag, Tom
Sent: Wednesday, September 20, 2006 4:15 PM
To: Viniar, David
Subject: RE: ARX wider again today.

FYI. How much was global macro down today.

----- Original Message ----- 
From: Sobel, Jonathan
To: Montag, Tom
Sent: Thu Sep 21 03:09:34 2006
Subject: RE: ARX wider again today.

I think most hedge funds have been right on this (i.e. they've been short), so it's a
piling on effect that we're seeing rather than a risk unwind. We have reduced our risk by
about 50% over the past week, but it's still at risk. We hate to say our nervousness.
The synthetic CDO seems like a viable takeout here.  The feedback we've received has been positive thus far.
To give you a perspective on relative performance over the past month or so:

--- ARMs -- ARX index 150bp wider
--- BBB- cash sub prime virtually unchanged with deals pricing and selling (similar to
index)
--- BBB- single name sub prime CDS 10 wider --Equities up --CMBS unchanged --Corp credit
tighter

I believe the divergence has been caused by macro hedge funds shorting the index.  A CDO
would enable us to exploit the cheapening in the index vs. cash and single names.

----- Original Message ----- 
From: Montag, Tom
Sent: Wednesday, September 20, 2006 2:25 PM
To: Sobel, Jonathan
Subject: RE: ARX wider again today.

I thought we were selling
This will continue for awhile won't it?

----- Original Message ----- 
From: Sobel, Jonathan
To: Montag, Tom
Sent: Thu Sep 21 02:11:39 2006
Subject: RE: ARX wider again today.

Down about 50bp. I think this is getting done, and I will look to
buy in the manager's account if this continues. Saw some buying from PIMCO yesterday, JPM
ARX looking at some sites now, CDO execution will take some time but seems quite
reasonable.

Confidential Treatment Requested by Goldman

Wall Street & The Financial Crisis
Report Footnote #2221
Date: September 9th, 2006
To: Firmwide Risk Committee
Re: September 9th PRC Minutes

The September 9th Firmwide Risk Committee meeting commenced at 7:10am. The meeting was chaired by David Vinar and Jerry Corrigan. Apologies were received from Mark McGoldrick.

Divisional Reports

Jan Sabel
- Risks at the lower end of their range.
- Commodities calendar picking up next week.
- Business continuing to reduce volatile ADR positions.
- Business bid on $120M sub-prime loan last week.

Dan Keller

Rick Blake

Ed Keller

Dene Hallet

Marc Goldar

Confidential Treatment
Requested by Goldman Sachs

GS MBS 0000004468

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2221
Footnote Exhibits - Page 4168

Reason Agua

Any Other Business

Two presentations were given to the committee, one on High Risk Derivatives and one on the firm's...

...Reflected by the Permanent Subcommittee on Investigations

Confidential Treatment
Requested by Goldman Sachs

GS MBS 0000004469
The last post you gave me was this morning when you thought things were "funk". Now I find out that we're down $20m on the day. I understand that things move, but you need to post me.

Also, I want to reduce this position.
Date: August 23rd, 2006
To: Frienwide Risk Committee
Re: August 23rd FRC Minutes

The August 21st Frienwide Risk Committee meeting commenced at 7:30am. The meeting was chaired by Craig Bodorick. Apologies were received from David Valer, Jerry Cornage, Brian Smith, Kieran Agna, Graham Cairner, Bob Litterman, Jonathan Soble, Mark Spaller and Robie Vase.

Divisional Reports

Deane Mac-Intosh

Bill Mckinlay
- Mortgages sold down another net 15% of their target ABX position.
- ABX liquidity has improved.
- Mortgages will bid on $1.3bn sub-prime whole loans this week.
- ABX grade (whole loans) converted to agencies and sold.

Isabelle Salter

Rich Frizelle

Don Mullins

Daveolation

Confidential Treatment Requested by Goldman Sachs

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #72221

Redacted by the Permanent Subcommittee on Investigations

GS MBS-E-00915593
We need to reach a conclusion on the viability of a structured exit.
Proceeding with the CDO solution, the CDO team has 69 single-names that they will be able to begin to build a deal around.
From: U. John X
Sent: Monday, October 16, 2006 10:15 AM
To: Henrik, Daryl K
Subject: Call Action Jha 7-0356

Regarding Hudson Mezz risk issue

Goldman Sachs & Co.
85 Broad Street New York, NY 10004
Tel: 212-905-0000 Fax: 212-490-2051
e-mail: john.x.02gs.com

John X. Li
Structured Products Group
Fixed Income, Commodities & Derivatives
CDO Rating Factors
Inclusion of Tranced ABX Indices in ABS CDOs

AUTHORS
Fel Fern Wang
AVP/Analyst
(212) 533-4671
FelFern.Wang@moodys.com
Eric Kocikowski
Team Managing Director
(212) 553-7962
Eric.Kocikowski@moodys.com

CONTACTS:
New York
Yvonne Fu
Team Managing Director
(212) 553-7962
Yvonne.Fu@moodys.com
William Mey
Team Managing Director
(212) 553-3656
William.Mey@moodys.com
Jon Polansky
Team Managing Director
(212) 553-2677
Jon.Polansky@moodys.com
Brett Hemmerling
Investor Liaison
(212) 553-4786
Brett.Hemmerling@moodys.com
London
Gareth Levington
Team Managing Director
(44-20) 7772-5506
Gareth.Levington@moodys.com
Paris
Anne Le Henaff
Team Managing Director
(331) 5330-1067
Anne.Lehenaff@moodys.com
WEBSITE:
www.moodys.com

1 Joanny Ouck contributed to this report as a research consultant.

INTRODUCTION
The advent of tranched ABS credit indices represents another milestone for the credit derivatives market. But while the trading of standardized tranches on a portfolio of ABS (exclusively Home Equity securities) provides new strategic opportunities for market participants, the inclusion of these new instruments in ABS CDO portfolios poses certain challenges.

These challenges revolve around the potential degree of overlap in ABS CDO collateral pools that can sharply increase pool-wide correlation. Coupled with the current environment, in which the new ABX-based tranches are trading at extremely wide spreads relative to similarly enhanced ABS CDO tranches, there is a risk that many ABS CDOs will see sharp increases in average pool-wide correlation through the purchase of the standardized ABX tranches in either synthetic or cash (credit-linked note) form.

What Are the New Tranced ABX Index Instruments?
The ABX credit indices were launched in January 2006. Each index includes 20 liquid Home Equity securities issued in the prior six months. The ABX 06-01 index is based on HE securities underwritten during the second half of 2005, the ABX 06-2 index on securities underwritten during the first half of 2006 and the ABX 07-1 index on securities underwritten during the second half of 2006. Unlike corporate credit indices, there is no overlap in underlying instruments between different series as each ABX series is associated with a single vintage.

The first tranched ABX indices ("TABX") began trading on February 14 of this year. At least initially, only the BBB and BBB- ABX sub-indices have been tranched.

The standardized tranches reference the combination of the ABX 06-2 and ABX 07-1 collateral pools, for a total of 40 credits. The attachment/detachment points are set as follows:

<table>
<thead>
<tr>
<th>TABX Attachment/Detachment Points</th>
<th>BBB Reference Portfolio</th>
<th>BBB- Reference Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>35-100</td>
<td>40-100</td>
<td></td>
</tr>
<tr>
<td>20-30</td>
<td>25-40</td>
<td></td>
</tr>
<tr>
<td>12-20</td>
<td>15-25</td>
<td></td>
</tr>
<tr>
<td>7-12</td>
<td>10-15</td>
<td></td>
</tr>
<tr>
<td>3-7</td>
<td>5-10</td>
<td></td>
</tr>
<tr>
<td>0-3</td>
<td>0-5</td>
<td></td>
</tr>
</tbody>
</table>

Moody’s Investors Service

Permittee Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2335

March 23, 2007
The Incentive to Include TABX in ABS CDOs

With the recent turmoil in the subprime mortgage market—the prices of the ABX indices have fallen dramatically over the past few months—the new TABX tranches are trading at very wide yields. Given the yields at which the TABX tranches have been priced, CDOStructured and managers may perceive an opportunity to add these tranches to ABS CDO portfolios in order to enhance portfolio-average spreads. The tranches could potentially be added directly to synthetic and hybrid ABS CDOs in credit default swap (CDS) in default swap, or transformed into credit-linked notes for inclusion in cash-flow CDOs.

Moody's View About the Addition of TABX Tranches

So long as they are properly treated, the addition of TABX tranches to ABS CDO portfolios may not raise any concerns.

As with the inclusion of the ABX, our primary concern is with correlation. In the case of the TABX, our immediate focus is on capturing the correlation within the CDO. For example, Moody's wants to make sure that any CLNs that reference TABX are classified as being correlated to one another and to other related single-name or index exposures in the CDO.

The key to capturing intra-CDO correlation is that any TABX exposure be properly identified. In general, collateral managers have wide discretion in classifying instruments that are incorporated into ABS CDO collateral pools. TABX tranches might, for example, simply be classified by the name of the vehicle which issued the CLN. Such a designation would fail to recognize that there could be other CLNs from other tranches which reference the same risk or that the CDO's portfolio could already be exposed to the names in the TABX, either through single-name CDS or through direct exposure to the ABX.

Given the novelty of TABX, neither existing CDO indentures, nor Moody's CODOROM software that is used to model ABS CDO asset correlations, provides for a TABX category to address Moody's concerns on correlation. Thus even the most conscientious CDO investor may not have an existing mechanism to accurately characterize the correlations associated with TABX tranches.

Treatment in CDOs

In light of the potentially significant correlation impact of adding TABX tranches to ABS CDO collateral pools, Moody's will review such proposals on a case-by-case basis. The review will ensure that an appropriate set of asset correlation (e.g., 100% for TABX tranches based on the same collateral pool) is reflected in CODOROM. Therefore, Moody's asks that CDOs and other rated vehicles that wish to offer protection on the TABX either through a CLN or swap first come to Moody's to discuss the appropriate treatment within the CDO.

In the months ahead, we anticipate that we will modify CODOROM in order to facilitate the appropriate correlation treatment for TABX tranches. Until that time, we propose the following guidelines for existing and recent CDOs:

1. The aggregate exposure of the CDO to the TABX and the ABX should not exceed 3% for High Grade deals and 5% for Mezzanine deals. Additionally, the exposure to any vintage should not exceed 2%.

2. To measure the correlation within the purchasing CDO:
   a. The TABX may be entered into CODOROM as a bespoke CDO (i.e., using a look-through approach in which each underlying HE tranche is entered into CODOROM individually) if such a CDO has the ability to add bespoke CDOs, or
   b. All products related to the ABX (TABX CLNs and swaps, ABX, single name CDS referenced in the various ABX) should use the term “ABX” in the “Transaction Name” field in CODOROM. (The issue date and the Key Agent fields may have to adjust to a single value in order for the CODOROM to function properly)

3. All other indenture restrictions/rules, such as the discount purchase rules, must apply.
Footnote Exhibits - Page 4179

Inter-CDO Correlations
In addition to intra-CDO correlations, Moody’s is also concerned about the impact of the ABX and TABX on correlations between ABS CDOs (e.g., in a CDO squared or the CDO basket of an ABS CDO). The asset correlations assumed in CDOROM between ABS CDOs were developed using the data that was available at the time we performed the original correlation analysis—i.e., based on transactions backed by cash collateral, which is not easily replicated across deals. More recently, with the growth of synthetics in ABS CDOs, it has become easier for multiple deals to have exposure to the same reference obligation. With the popularity of the ABX index, it comes as no surprise that Moody’s has found that many recent transactions have exposure to the ABX in both index and single name form. Essentially, this means that inter-CDO correlations are increasing.

While intra-CDO correlation concerns can be treated using a look-through approach as mentioned earlier, addressing correlations between ABS CDOs is more difficult. When an ABS CDO contains both ABS-related positions as well as tranches of other actively managed CDOs, it is difficult to perform a look-through analysis on an ongoing basis because of the dynamic nature of each underlying CDO’s portfolio. Moody’s is currently undergoing a research project to study the overlaps in ABS CDOs and will adjust our ABS CDO correlations accordingly. Until the research project is completed, Moody’s may consider look-through correlations for ABS CDOs in the initial rating process.

CONCLUSION
Moody’s believes that the proliferation of standardized index products may increase the correlation within and between CDOs. Because the models currently used by Moody’s do not contemplate products such as the ABX and TABX that may be infinitely replicated, we will shortly introduce refinements to our correlation framework and will solicit market comment on the proposal.

---

2 "Moody’s Results by Descriptions Regarding Structured Finance Default Level Asset Correlations for CDOs" June 27, 2005

Inclusion of Tranchéd ABX Indices in ABS CDOs

Moody’s Investors Service
So annoying...its our book not his

Sent from my Blackberry Wireless Device

----- Original Message ----- 
From: Toure, Fabrice
To: Swenson, Michael; Salem, Debb; Chin, Edwin
Cc: Fluc-rcgpczr-desk
Sent: Sun Apr 29 11:44:43 2007
Subject: RE: AIG FF AXB basis trade

Debb/Mike: do you guys have any thought on this? I would like to be able to get back to AIG FF first thing Monday morning if possible. I think offering this trade at 1/2 point makes sense (can't imagine people would do a lot of work/ar through this brain damage for less than that) and just as an FYI, color from Andy Forster at AIG FF is the following (email that Will forwarded to me on Friday, coming from Andy Forster and I quote):

"I think this is the basic version where you pay us like 50bps. The issue though is that this has some real risk and I want to understand what the risks are. For example I think some bunds can step up but the index does not? Also the single names all trade at different spreads so if a high spread name defaults we lose more in income than we stop paying on the index etc etc. also something about delivery with the index only allowing one method?"

----- Original Message ----- 
From: Toure, Fabrice
Sent: Friday, April 27, 2007 5:40 PM
To: Swenson, Michael; Salem, Debb; Chin, Edwin
Cc: Fluc-rcgpczr-desk
Subject: AIG FF AXB basis trade

See attached the trade we could show to AIG FF to close the Hudson Merz account. This account is long AIG and short single-name CSO. On a running basis, the account is net positive carry by 3bps -- however when looking closely at the combination of trades, the account is positive carry on 06-1 index and negative carry on 06-2 index. Question is at what price do we sell this position to remove the MMM vol risk of that account, as well as the basis risk -- the basis risks are the following:

-- positive basis: the single-name CSOs are cancellable individually by the protection buyer at the stop-up date
-- negative/positive basis: if 06-1 index amortizes / suffers writedowns faster than 06-2 index, the trade can become negative carry

I am suggesting we offer this trade to AIG at an upfront payment of $600 to have AIG FF take the MMM risk (and we know it is a pretty big risk) as well as the amortisation differential risk (pretty small in my mind).

Confidential Treatment Requested by GS MBS-E-012432742
We are close in talks with our counterparty on the super senior for the A&X CDO. Before we get execution, we need to show them levels on where we expect to lock in asset levels.

So far we have levels from CANS at +112.

On ARX we want to show 1bp inside mids:
- AX 2006-1 888 @ +137
- AX 2006-1 888-8+125
- AX 2006-1 888 @ +149
- AX 2006-1 888-8 @ +171

For the CDS given spread widening this week, we want to go with +120 for 888 flat and +20 for 888.

Can you confirm we are good on the above levels?

This is key to complete our work today on the Super Senior tranche.

DH

Daryl K. Harwick
CDO Structuring, Marketing and Principal Investments
Goldman, Sachs & Co.
85 Broad Street
New York, NY 10004
Tel: 212-902-5305
Mobile: 212-902-5305
E-mail: daryl.harwick@goldman.com

(C) Copyright 2006 The Goldman Sachs Group, Inc. All rights reserved.

This material has been prepared specifically for you by the CDO Structuring Department of Goldman Sachs. Goldman Sachs is a market maker, dealer, principal and investment bank and does not engage in the provision of tax, financial, accounting, legal or other professional advice, nor does it have any obligation to disclose to you any material information which it may have which may affect the applicability or value of any investment or transaction or of any portion thereof. You should consult your own advisors and use your own judgment before acting upon this information.

Confidential Treatment Requested by Goldman Sachs
That works
Given even composition between ABX 1 and 2, will get to the same spot from CDO investor’s viewpoint

Darryl we should use the 250 and 245 spread for ABX2 and ABX1 triple-B minus spread
and 145 and 140 for triple-B ABX2 and ABX1 triple-B spreads

We plan to announce Hudson Mezzanine Funding tomorrow in the am for Europe, Asia and the US
I’m circulating around to everyone the CDO portfolio and spreads we will be showing investors and agencies,
based on our agreed upon amounts and levels from last week.
Please let me know if you have questions or comments
Darryl
Footnote Exhibits - Page 4184

From: Swenson, Michael  
Sent: Tuesday, September 10, 2008 9:31 PM  
To: Cornachio, Thomas  
Cc: Bremser, Josh; Swenson, Michael  
Subject: RE: Abs

Here are the points for your discussion:

On the ABS Side:

1. Very crowded trade - guys talking their position in the media (ie Grants, NY Post). Could be very violent about covering rally because most of the shorts facing non-market to market vehicles (ie CDOs).

2. Expensive break-evens. Despite the recent sell-off most macro players are at best flat given the carry hurdle.

3. Relative Value - Underperform stocks, and corporate credit by 2 points/6hp in the past 6 weeks. Also, CMBS is 6hp tighter over the same period. The Philadelphia housing index is up approx 10% over this period.

4. Basis - Index to single-name basis is at the wider (ie 4hp at BBB+ level). Index to cash is even more extreme at 7hp. Bids for cash deals remain strong and have barely widened.

5. CDO - we are going to price an innovative full capital structure RMBS CDO deal with 60% of the risk in ABS (no one has done this before). At the current levels we produce equity at levels that are approximately 10% (in return) cheaper than a typical CDO.

6. Property Derivatives - press release tomorrow. More direct way for the macro community to express their negative views on house prices. We expect existing shorts to explore swapping out of ABS shorts into Prop Derivatives.

Natural Buyers of Property Derivatives

1. Pension Funds
2. REITs
3. Insurers
4. CDOs - we are going to create rated CDS-like contracts and do a CDO using these contracts - similar structure to CMBS

-----Original Message-----
From: Cornachio, Thomas  
Sent: Tuesday, September 10, 2008 5:20 PM  
To: Swenson, Michael  
Subject: Re: Abs

He wants to know who we believe will be natural buyer of new product.

----- Original Message -----
From: Swenson, Michael
To: Cornacchia, Thomas; Birnbaum, Josh
Sent: Tue Sep 19 17:15:32 2006
Subject: Abx

We are ready

-----Original Message-----
From: Cornacchia, Thomas
Sent: Tuesday, September 19, 2006 4:43 PM
To: Swenson, Michael; Birnbaum, Josh
Subject: Abx

I had conversation today - we have a 10 am call tomorrow morning - need to prep ahead of time

Confidential Treatment Requested by Goldman Sachs
Omar, I realize lack of manager may be tough hurdle for them. May be helpful to let Doob and I get on a call with the investor and discuss our asset selection criteria and I can go through asset sale criteria. Let me know if that would be useful.

VERBAL ONLY

If we have not already responded to the inquiry below, the dollar price of the BBBs assuming a spread of 600bps and a DM of 650bps at 56.30.

VERBAL ONLY

What is the approximate discount dollar price that equates to a par value coupon of L+600 on the Class E with a DM of L+607?

Low delta change we have interest from a private bank in Taiwan for this sort of security (though lack of manager is a big issue for them).

VERBAL ONLY

Sure. Here are the details:

Class Size(%) %Deal Holy/Select MAL[y] In/Out OC Guidance
E [ ] N/A N/A N/A N/A
Sec Swap 1.200 60.0% Ass/AAA (3.7) 156.7% N/A
A1 150 7.5% Ass/AAA (2.0) 133.3% In/Out+TBD
A2 150 7.5% Aaa/AAA (6.0) 133.3% In/Out+TBD
B 160 6.0% Aa2/AA (9.1) 120.5% In/Out+TBD
C 125 5.0% A3/A (5.3) 133.4% In/Out+TBD
D 150 7.0% Baa7/BB (5.2) 104.7% In/Out+TBD
E 30 3.0% Boll/BB+ (5.5) 103.3% In/Out+TBD
FS 60 3.0% Not Rated N/A N/A **CALL DESK**

Termsheet, Debt Marketing Book & Warehouse Portfolio - Attached

Confidential Treatment Requested by Goldman Sachs

Frontier Sponsors or Investigations
Wall Street & The Financial Crisis
Report Footnote #2244

GS MBS-E-0179502963
From: Herrick, Darryl K
Sent: Tuesday, September 19, 2006 9:53 PM
To: Salem, Debb; Ostrem, Peter L
Cc: Swenson, Michael; Birnbaum, Josh; Chin, Edwin; Lamilla, Rajiv; Lehman, David A.
Subject: Re: Ref Obs for Prop CDO

Debb, we’ll take at look there. On adding Alt A, I would suggest an initial bucket of around 10-15 names to start. We could add more later on depending on appetite, but that will be a good start.

Thanks, Darryl

-------- Original Message --------
From: Salem, Debb
To: Ostrem, Peter L; Herrick, Darryl K
Cc: Swenson, Michael; Birnbaum, Josh; Chin, Edwin; Lamilla, Rajiv; Lehman, David A.
Sent: Tue Sep 19 21:11:47 2006
Subject: Ref Obs for Prop CDO

<books.xlsx> Pets/Darryl,
Attached are 60 RMBS Ref Obs and 5 GNMS/CMB CDO ref obs for the CDO we’re discussing. On the RMBS side, we chose 30 Bas1 and 30 Bas2 CMBS evenly split b/w 2005 and 2006 vintage. We can add a few Alt-A names as well. How many of those would you like?

Let us know what else you need.
<table>
<thead>
<tr>
<th>RMBS</th>
<th>Ref. Cd.</th>
<th>CUSIP</th>
<th>Size</th>
<th>Moody</th>
<th>S&amp;P</th>
<th>Flitch</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASBSHE 2005-HE5 M8</td>
<td>04341T781</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>AMIT 2005-2 M4</td>
<td>12837L7S6</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>AMSI 2005-HE3 M8</td>
<td>032109A62</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>BBABS 2005-EC3 M7</td>
<td>03671SAQ9</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>CARRI 2005-EC1 M8</td>
<td>14431EM6W</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CARRI 2005-ECB1 M8</td>
<td>14431EM6W</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CWL 2005-10 M6</td>
<td>12687BC11</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>FTML 2005-FP1 M8</td>
<td>32017UT9A</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>FNL 2005-1 M7</td>
<td>3572PPF3J</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>GAMP 2005-41 M5</td>
<td>361226E2E</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>GAMP 2005-31 M5</td>
<td>358301030</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAMP 2005-HE3 M8</td>
<td>362341H36</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAMP 2006-HE3 M8</td>
<td>362341ISA3</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HASC 2005-OCR4 M7</td>
<td>402006APS5</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>JPMAC 2006-AP21 M8</td>
<td>46510RA58</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>JPMAC 2006-HE1 M6</td>
<td>46510N0P9</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>MSHL 2006-2 M2</td>
<td>617447YX6</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>NCHET 2005-5 M8</td>
<td>63432VPGQ</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>NHEL 2005-2 M8</td>
<td>69847WCU9</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>OOML 2006-2 M2</td>
<td>69847WANM</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>QWNT 2004-1 M6</td>
<td>69847WANM</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>RASC 2005-HE2 M8</td>
<td>75648ALJ3</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SABR 2005-EC1 B2</td>
<td>81759WD9J</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SABR 2005-EC1 B2</td>
<td>81759WCX2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB+</td>
<td>BBB+</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-VHMC M4</td>
<td>835359BHKQ</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-VHMC M4</td>
<td>835359BHKQ</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-CB4 B3</td>
<td>124630QAA</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC3 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC3 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>SASS 2006-EC1 B2</td>
<td>12673FHL2</td>
<td>10,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>110</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CMBS</th>
<th>Ref. Cd.</th>
<th>CUSIP</th>
<th>Size</th>
<th>Moody</th>
<th>S&amp;P</th>
<th>Flitch</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSBM 2006-RZ2 J</td>
<td>36298JAU7</td>
<td>200,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>105</td>
<td>11.71</td>
<td></td>
</tr>
<tr>
<td>JPMCC 2006-RFA4 F</td>
<td>45123HAK8</td>
<td>200,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>115</td>
<td>10.53</td>
<td></td>
</tr>
<tr>
<td>LATT 2005-9 M8</td>
<td>53944MAT6</td>
<td>200,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>145</td>
<td>9.42</td>
<td></td>
</tr>
<tr>
<td>MARRE 2006-1A G</td>
<td>56535AQW1</td>
<td>20,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>115</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td>MREF 2006-3A</td>
<td>76122VAG9</td>
<td>20,000.00</td>
<td>Baa2</td>
<td>BBB</td>
<td>140</td>
<td>7.93</td>
<td></td>
</tr>
</tbody>
</table>
From: Young, Crystal D.
Sent: Wednesday, September 27, 2006 3:03 PM
To: Swanson, Michael
Subject: RE:

I would like to stay on the 26th floor. There is 1hr available from 1-2pm ... Maybe I can switch Egos review and switch the meeting at from 1-2pm.

From: Young, Crystal D.
Sent: Wednesday, September 27, 2006 2:58 PM
To: Swanson, Michael
Subject: RE:

Unfortunately, the large conference room is booked most of the day.
The only time it is available tomorrow is, from 11-11:30am, or 2-2:45pm. I can check the 27th will that work?

From: Swanson, Michael
Sent: Wednesday, September 27, 2006 2:46 PM
To: Young, Crystal D.
Subject:

Can set up a meeting for tomorrow at 10am in the 26th floor conference room? The meeting should be titled the "Marketing Strategy for the ABA CDO Trade"

The invitees are:
Sparks
Sobol
Harvey Schwartz
Stacy Bash
Tom Camaicchella
Sarah Recktenwald
Scleri Max
Kyle Magel
Steve Pinkos
Lori Badke
Bundy Bobba
Scott Misenchak
Steve Kintzard
Josh Arinbaun
Pete Bootem
David Rosenblum
Sarry, Herrick
Debb Salem

Goldman, Sachs & Co.
388 Greenwich Street, New York, NY 10013
www.gs.com
646.252.5900
646.252.8000
Goldman Sachs
Michael J. Swanson
Fax Income, Currency & Commodities

This material has been prepared specifically for you by the Fixed Income Trading Department and is not the product of Fixed Income.

Confidential Treatment Requested by Goldman
Footnote Exhibits - Page 4191

From: Herrick, Daryl K
Sent: Thursday, September 30, 2006 10:34 AM
To: Swanson, Michael; Sparks, Daniel; Sobel, Jonathan; Schwartz, Harvey; Bash-Pelley, Stacy; Comaschi, Thomas; Razz, Shiloh; Nigel, Kyle; Pinkos, Steve; Radke, Lori; Bohr, Bruce; Widenhofer, Scott; Roncarati, Steven; Brinkman, John; DeWitt, Peter I.; Rosenthal, David; Salem, Deb; Siegel, Maha
Subject: Hudson - INTERNAL ONLY
Attachments: Hudson Mezz Term Sheet 2006-09-07 Sales.doc; Hudson Mezz Overview.ppt

INTERNAL ONLY

Please find the Term Sheet and Marketing Points for today's call at 10am. Please let me know if you have any questions.

From: Young, Crystal D. On Behalf Of Swanson, Michael
Sent: Thursday, September 28, 2006 8:31 am
To: Sparks, David L; Sobel, Jonathan; Schwartz, Harvey; Bash-Pelley, Stacy; Comaschi, Thomas; Razz, Shiloh; Nigel, Kyle; Phillips, Steve; Pollock, Lanny; Bohr, Bruce; Widenhofer, Görtz; Konrath, Steven; Brinkman, John; DeWitt, Peter I.; Rosenthal, David L;
Herrick, David G; Salem, Deb; Siegel, Maha
Subject: Updated: Marketing Strategy for the MBS CDO Trade
Where: 25JUL in details

Conference Details:
Moderator Name: Michael Swanson
Company Name: Goldman Sachs & Co./$50542 (Main)
Client ID: 341235
Conference Passcode: 748855
Passcode: 748855
Conference Access:
 Toll Free: 1-866-319-4553 International
 Toll: 1-312-902-4579 Domestic

Confidential Treatment Requested by Goldman Sachs

Wall Street & The Financial Crisis
Report 2352

GS MBS-E-014042217
Hudson Mezzanine Funding 2006-1, LTD.

$2.0 Billion Static Mezzanine Structured Product CDO

Note: The Credit Suisse Ladies A, B, C, D and Oxford Mezzanine Trust were reorganized under the Bankruptcy Act of 2005 in connection with the "business as usual" and are being sold in the United States in a qualified institutional offering ("QIO") in reliance on the exemptions for the reorganization transactions in the bankruptcy act provided by Rule 5-07 as well as qualified purchases in reliance on the Investment Company Act of 1940, as amended. Credit Suisse and Oxford Mezzanine Trust have notified Credit Suisse, in good faith, that the offerings are not covered by paragraphs (c) and (d) of Rule 5-07.
Hudson Mezzanine Funding 2006-1

Transaction Overview

- Hudson CDO program was developed by the CDO Desk in 2006 to create a consistent, programmatic approach to invest in attractive relative value opportunities in the RMBS and structured product market.
  - We successfully launched Hudson High Grade which is in the market now. This is a continuation of this program with mezzanine quality RMBS.

- The CDO is an Alpha Generator / Term Non-recourse with other non-AlixX names. 60% of the portfolio will consist of single name CDOS from the ABX 2006-1 and ABX 2006-2 index to pass through the relative value pickup between the index vs. single name CDOS. Term non-recourse execution of Hudson will lock in the arbitrage for the benefit of debt and equity investors.

- Goldman will buy equity and is long this risk via warehouse: 100% ramped

- This is not a tranched index CDO. CDO will utilize a cashflow waterfall with traditional OVC tests

- Super Seniors are done with one large sophisticated Wall Street CDO buyer

- Focus will be on the BBBs and BBs

  ▶ No CDOs
  ▶ No negative convexity (fixed rate)
  ▶ No BBs
Footnote Exhibits - Page 4195

From: Havrick, Darryl K
Sent: Saturday, September 30, 2008 11:54 AM
To: Geaner, Peter L; Caw, Benjamin; Elber, Matthew G.
Subject: Hudson Mezz

Attachments: Hudson Mezz Debt Book 2006-09-263.ppt; Hudson Mezz Term sheet 2006-09-27 Sales.doc

Team, We are planning to begin marketing Hudson Mezz this week.

I have attached the marketing book and term sheet as it currently stands (still updating stress runs)

Would appreciate any feedback/comments you have on this because it discusses the current CIO and more importantly what our deal's strategy is with Hudson program for the future. Be interested in getting everyone's color

I am in the office tomorrow so can talk then or whenever you get a chance can reach me on my cell (946) 528-8258

Darryl
Hudson Mezzanine Funding 2006-1, LTD.
A $2.0 Billion Static Mezzanine Structured Product CDO
Goldman, Sachs & Co. – Liquidation, Structuring, and Placement Agent

September [ ], 2006

The information contained herein is preliminary and the actual terms of any transaction will be set forth in the definitive Offering Circular.

Confidential Treatment Requested by Goldman Sachs
Table of Contents

Disclaimer and Risk Factors
I. Transaction Overview
II. Transaction Details
III. Portfolio Growth and Composition
IV. Scenario Analysis and Modeling Assumptions

Appendix
- Portfolio Asset List
- Goldman Sachs Contact Information
Disclaimer

HYPOTHETICAL ILLUSTRATIONS AND PRO FORMA INFORMATION

These materials contain statements that are not purely historical in nature. These include, among other things, hypothetical illustrations, scenarios or pro forma portfolio allocations or portfolio composition, economic analysis of returns and proposed or pro forma levels of diversification or scope measurement. These hypothetical illustrations or scenarios show a range of potential outcomes based upon certain assumptions. Such hypothetical outcomes are not a prediction by the Issuer, Goldman Sachs or any respective affiliates of the actual performance that can be expected to be realized. Actual results are not predictable and may be entirely different from the outcomes described herein. Actual results may differ from those assumed and such differences may be material.

There are risks associated with the use of these illustrations. Actual results may differ from the hypothetical return calculations or scenarios presented. Actual returns or results will not necessarily be materially lower than those presented. All illustrations included are based on information available on the date hereof, and none of the Issuer, Goldman Sachs or any respective affiliates assume any duty to update any such statement. Some important factors which could cause actual results to differ materially from those in any statements contained herein include the actual composition of the collateral and the price at which such collateral is actually purchased by the Issuer. Any defaults on the collateral, the timing of any defaults and subsequent recoveries, changes in interest rates, and any weakening of the specific credits included in the collateral, among others.

Prior investment results are not indicative of future performance and are not indicative of the future returns on the securities and obligations of the Issuer. Because of portfolio restrictions that apply to the Issuer, there are differences in market conditions, changes in interest rates, and any weakening of the specific credits included in the collateral, among others. The Offering Circular will contain other risk factors, which an investor should also consider in connection with an investment in the securities described herein.

Confidential Treatment Requested by Goldman Sachs

GS MD5:6-013267164
Risk Factors

Note: The Offering Circular will include more substantive descriptions of the risks described herein as well as additional risks relating to, among other things, conflicts of interest. Any decision to invest in the securities described herein should be made after reviewing such Offering Circular, conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the securities. The Offering Circular will supersede this document in its entirety.

- Limited Liquidity, Restrictions on Transfer and Limited Resource
  - There is currently no market for the Secured Notes or Income Notes and it is unlikely that any secondary market will develop. The Secured Notes and the Income Notes should be viewed as long-term investments, not as a trading vehicle. The value of the Secured Notes and the Income Notes may vary and the Secured Notes and the Income Notes, if sold, may be worth less than their original cost.
  - In addition, as the Secured Notes and the Income Notes will be sold in transactions exempt from SEC registration pursuant to Section 4(2), Rule 144A, and/or Rule S and the Issuer will not be regulated under the Investment Company Act of 1940 pursuant to the Section 3(b)(1) 'Readily Marketable' definition, as well as other restrictions on transfer of the Income Notes will apply.
  - All liabilities are payable solely from the cash flows available from the collateral pledged by the Issuer to secure all classes of Notes. No other assets will be available for payment in the event of any default. The Income Notes represent equity in the Issuer and as such are subordinated to the Secured Notes. The Income Notes are payable from the collateral which represents the only assets of the Issuer only after payment in full of amounts due on the Secured Notes.

- Leveraged Credit Risk
  - The Income Notes are in a first loss position with respect to defaults on the underlying collateral. The leveraged nature of the Income Notes magnifies the adverse impact of any collateral defaults.

- Subordination
  - The Income Notes are subordinated to the Class A Notes, Class B Notes, Class C Notes and Class E Notes and certain payments of expenses. The Class A Notes are subordinated to the Class B, Class C, Class D, and Class E Notes and certain payments of expenses. The Class D Notes are subordinated to the Class A, Class B, Class C, and Class E Notes and certain payments of expenses. The Class E Notes are subordinated to the Class A, Class B, Class C, and Class D Notes and certain payments of expenses. The Class B, Class C, Class D, and Class E Notes are subordinated to the Class A Notes and certain payments of expenses. No distributions of interest proceeds received on the collateral will be made to the Income Notes until interest on the Secured Notes and certain other expenses have been paid. In addition, in the event of a default, holders of the most senior class of Secured Notes will generally be entitled to determine the remedies to be exercised, such remedies could include the sale and the liquidation of the collateral and have an adverse effect on the Income Notes. The Income Notes will not be able to exercise any remedies following an event of default and will not receive payments after an event of default until the Secured Notes are paid in full.

Confidential Treatment Requested by Goldman Sachs

GS NSB E-014876165
Risk Factors

- Volatility of Collateral and Secured Notes and Income Notes Market Value
  - The Income Notes represent a leveraged investment in the Collateral Assets. This use of leverage generally magnifies an issuer's opportunities for gain and risk of loss. Therefore, changes in the market value of the Secured Notes and the Income Notes can be expected to be greater than changes in the market value of the underlying assets included in the collateral, which themselves are subject to credit, liquidity, and, with respect to the fixed rate portion of the portfolio, interest rate risk.
  - Changes in the market value of issuers from one sector or industry may impact the market value of issues from one or more of other sectors or industries included in the collateral.

- Collateral Risk
  - Collateral Assets inherently bear significant credit risks because issuers are primarily private entities.
  - The structure of Collateral Assets and the terms of the issuer's interest in the collateral can vary widely depending on the type of collateral, investor sentiment and the use of credit enhancements.
  - Adverse changes in the financial condition of the collateral obligor or in general economic conditions may adversely affect the obligor's ability to pay principal and interest on its debt.

- Illiquidity of Collateral Assets
  - Some of the Collateral Assets purchased by the Issuer will have no, or only a limited, trading market. This illiquidity may restrict the Issuer's ability to dispose of investments in a timely fashion or for a fair price.
  - Illiquid debt securities may also trade at a discount to comparable, more liquid investments. In addition, the Issuer may invest in privately placed Collateral Assets that are not transferable or are transferable only at prices less than the fair value of the original purchase price of the securities.

- Nature of Collateral
  - The Collateral Assets are subject to credit, liquidity and interest rate risk. In addition, the financial performance of the issuer may be affected by the price and availability of Collateral Assets to be purchased.
  - Some or all of the Collateral Assets may be subordinated securities which may be subject to leveraged credit risk.
  - The ability of the issuer to sell Collateral Assets prior to maturity is subject to certain restrictions and limitations under the indenture.
Risk Factors

- No Collateral Manager
  - The issuer will not engage a Collateral Manager. As a result, (i) the Collateral Assets held by the issuer on the Closing Date will be retained by the issuer even if it would be in the best interests of the issuer and the holders of the Income Notes and Secured Notes to dispose of certain Collateral Assets unless the Collateral Assets are required to be sold by the Liquidation Agent as described in the previous paragraph and (ii) the issuer will utilize the ability of the issuer to exercise discretion in certain actions, including a collateral manager in a managed securitization, to exercise collateral management discretion typically would have discretion to exercise such discretion on behalf of the issuer and the holders of Income Notes and Secured Notes. The inability of the issuer to exercise discretion in these contexts could adversely impact the issuer and the holders of the Income Notes and Secured Notes.

- Timing and Amount of Recoveries
  - Only Collateral Assets that meet the liquidation criteria (see page 12) may be sold. If a Collateral Asset meets the liquidation criteria, the Liquidation Agent is required to sell such affected assets in accordance with the terms of the Liquidation Agency Agreement. There can be no assurance as to the timing of the Liquidation Agent's sale of affected assets, or if there will be any market for such assets or as to the rates of recovery on such affected collateral. The inability to realize immediate recoveries at the recovery levels assumed herein may result in lower cash flows and a lower yield to the Income Notes and Secured Notes as compared to the returns generated using the Modeling Assumptions.

- Impairment of Credit Quality and/or Default on the Collateral
  - Decline in credit quality of the collateral or defaults could result in losses which would adversely affect the Income Notes and Secured Notes. The Collateral Assets are expected to have a Moody’s weighted average rating of at least A3/A-3 at the Closing Date.
  - There may be certain industry or sector concentrations in the CDO, all of which could have a material adverse impact on the Income Notes in the event of economic downturn or other events affecting the credit quality of any of the collateral.
Risk Factors

- Timing of Receipt of Accrued Interest Income
  - While the issuer of accrued interest income may affect the availability of cash which may be distributed to the holders of Secured Notes and Income Notes.

- International Investing
  - Investing outside the U.S. may involve greater risks which may include (1) less publicly available information, (2) varying levels of governmental regulation and supervision, (3) the difficulty of enforcing legal rights in a foreign jurisdiction and uncertainties as to the status, interpretation and application of laws, (4) less stringent accounting standards, (5) different bankruptcy and settlement procedures, (6) economic and political conditions and instability, (7) exchange control and foreign currency risks, (8) taxation and (9) repatriation risk.

- A portion of the Collateral Assets may consist of obligations of an issuer organized under the laws of the Bahamas, Bermuda, the Cayman Islands, the Channel Islands, the Netherlands Antilles or other jurisdictions offering favorable tax treatment.

- Tax Treatment of Income Notes
  - Since the issuer will be a passive foreign investment company, a U.S. person holding Income Notes may be subject to additional taxes unless it elects to treat the issuer as a qualified existing fund and to recognize currently its proportionate share of the issuer’s income. The income notes will be treated as equity for tax purposes.

- Income Notes holders should consult their tax advisors about the special U.S. tax regimes that apply to shareholders of passive foreign investment companies, controlled foreign corporations and foreign personal holding companies.

- Special tax considerations may apply to certain types of investors. Prospective investors should consult their own tax advisors regarding the tax implications of their investments.

- Material Tax Considerations
  - There is a possibility that the issuer will be engaged in a U.S. trade or business. In such a case, it would be subject to substantial U.S. income tax on its income.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-01457169
Risk Factors

- Hypothetical Illustrations and Estimates
  - Estimates of the weighted average lives of the Class A, B, C, D and E Notes and the returns and duration of the income notes included herein, together with any other hypothetical illustrations and estimates provided to prospective purchasers of the Class A, B, C, D and E Notes, are forward-looking statements. See "Hypothetical Illustrations and Pro Forma Information" on disclaimer page in the beginning of this book.
  - The hypothetical illustrations are only estimates. Actual results may vary, and the variations may be material. See "Hypothetical Illustrations and Pro Forma Information" on disclaimer page in the beginning of this book.

- Yield Due to Prepayments
  - The yield to maturity on the Income Notes could be affected by the rate of prepayment of the Collateral Assets. Payments to the Income Notes at a rate slower than the rate anticipated by investors purchasing the Income Notes at a discount will result in an actual yield that is lower than anticipated by such investors. Conversely, payments to the Income Notes at a rate faster than the rate anticipated by investors purchasing the Income Notes at a premium will result in an actual yield that is lower than anticipated by such investors.

- Changes in Tax Laws
  - The Collateral Notes are not permitted to be subject to withholding tax at the time of purchase, unless the issuer thereof is required to make "gross-up" payments. There can be no assurance that, as a result of any change in any applicable law, treaty, rule or regulation or interpretation thereof, the payments on the collateral might not in the future become subject to withholding tax which could adversely affect the amounts that would be available to make payments on the Income Notes and Secured Notes.
  - In case of a Withholding Tax Event (as defined in the Offering Circular), holders of more than 50% of any affected Note may require the issuer to repurchase the collateral on any Payment Date, and redeem the Class A, B, C, D and E Notes, prior to any distributions to holders of Income Notes.
I. Transaction Overview

Note: The information in this section is preliminary and subject to change.
Hudson Mezzanine Funding 2006-1
Transaction Overview

- Hudson CDO program was developed by Goldman Sachs in 2006 to create a consistent, programmatic approach to invest in attractive relative value opportunities in the RMBS and structured product market
  - We successfully launched Hudson High Grade in September. This is a continuation of the program using mezzanine quality RMBS

- Hudson CDOs are non-managed and static in nature and provide term non-recourse funding where Goldman Sachs acts as Liquidation Agent on an ongoing basis

- The portfolio composition of Hudson Mezzanine Funding 2006-1 will consist of 100% CDS on RMBS
  - 60% of the RMBS will be single name CDS on all 40 obligors in ABX 2006-1 and ABX 2006-2
  - 40% of the will consist of single name CDS on 2005 and 2006 vintage RMBS

- ABX Baa2 and Baa3 tranches trade approximately 30bps wider than the single name CDS on the 40 obligors representing the ABX
  - Hudson Funding will capture this basis arbitrage and the single name CDS will be put in at current ABX market levels. Term non-recourse execution of Hudson will look in the arbitrage for the benefit of debt and equity investors

- Goldman Sachs has aligned incentives with the Hudson program by investing in a portion of equity and playing the ongoing role of Liquidation Agent. The Liquidation Agent will be responsible for efficiently selling credit risk assets
Hudson Mezzanine Funding 2006-1, LTD
Transaction Overview

- Super Seniors have been executed with one large, sophisticated Wall Street investor in unfunded form
- This is a typical CASHFLOW CDO with GIC triggers. This is NOT a tranching index CDO
- Goldman Sachs, in the role of Liquidation Agent, will
  - Warehouse assets during the portfolio aggregation phase prior to closing
  - Liquidate any asset within one year after such asset performs below certain threshold levels determined prior to closing
- Goldman Sachs expects to invest in a portion of the Income Notes
- Goldman Sachs' objective is to develop a long-term association with selected partners that can adapt to and take advantage of market opportunities
  - The goal is to create attractive proprietary investments by leveraging expertise of both Goldman Sachs CDO and Mortgage Oeks while maintaining a consistent approach and creating a unified issuance program across multiple transactions

Confidential Treatment Requested by Goldman Sachs
Hudson Mezzanine Funding 2006-1, LTD
Transaction Overview

- Hudson Funding is a "static" mezzanine structured product CDO with the following features:
  - No exposure to reinvestment spread risk or reliance on reinvestment to generate excess interest to
cover debt
  - No fixed rate assets
  - 100% RMBS
  - No assets without an initial rating of at least Baa3 by Moody's or BBB- by S&P. Average WARF in the
    portfolio is expected to be 485
  - Overall transaction cost structure is significantly less than comparable mezzanine structured product
    CDOs in the market

- There will be no reinvestment, substitution, discretionary trading or discretionary sales. After closing, assets
  that are determined to be "credit risk" securities will be sold by the Liquidation Agent within one year of such
determination

- Goldman Sachs will act as Structuring, Placement and Liquidation Agent for Hudson Funding and will
  warehouse the portfolio prior to closing
  - Goldman Sachs will charge 10 bps ongoing fee for its role as Liquidation Agent

- Goldman Sachs' portfolio selection process:
  - Assets sourced from the Street, Hudson Funding is NOT a Balance Sheet CDO
  - Goldman Sachs CDO desk pre-screens and evaluates non A/BX related assets for portfolio suitability
  - Goldman Sachs' CDO desk reviews individual assets in conjunction with respective mortgage trading
deals (Subprime, Midprime, Prime, etc.) and makes decision to add or decline
  - All CDO use rating agency approved confirm (pay as you go)
Hudson Mezzanine Funding 2006-1, LTD
Transaction Overview - Asset Selection / Asset Liquidation

- Portfolio Aggregation Strategy:
  - 60% of portfolio will consist of the 40 obligors in ABX 2006-1 and ABX 2005-2
  - Select only assets rated explicitly Baa3/BBB- (Moody’s / S&P) and above. No notched rating of below Baa3 in the portfolio
  - No Fixed rate assets allowed decreasing interest rate swap basis mismatch
  - Maximum obligor concentration is 1.5% creating a very granular portfolio with 100 distinct obligors
  - Target portfolio with Weighted Average Rating Factor of 455 and duration weighted average spread of 184 bps

- Goldman Sachs, as Liquidation Agent, will liquidate any asset determined to be a "credit risk" asset within 12 months of such determination. "Credit risk" assets will include:
  - Any asset downgraded by Moody’s or S&P to below Baa3 or BB-
  - Any asset that is defaulted or would be experiencing a credit event as defined by the PAUG confirm

- Expected collateral quality statistics at closing
  - WARF: 455
  - Moody’s Asset Correlation (MAC) at closing: 23
  - Duration weighted average portfolio spread: 184 bps
  - Weighted Average Duration: 4.0 years
### Hudson Mezzanine Funding 2006-1, LTD

**Transaction Overview – Preliminary Capital Structure**

<table>
<thead>
<tr>
<th>Class</th>
<th>Ratings (MB)</th>
<th>Expected Principal Balance</th>
<th>% of Capital Structure</th>
<th>Coupon</th>
<th>Expected SL</th>
<th>Initial OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>A2/AA</td>
<td>$121.5 M</td>
<td>9.5%</td>
<td>High Coll.</td>
<td>2.8 yrs</td>
<td>108.7%</td>
</tr>
<tr>
<td>Class B</td>
<td>A3/AA</td>
<td>$150 M</td>
<td>3.7%</td>
<td>High Coll.</td>
<td>3.1 yrs</td>
<td>139.3%</td>
</tr>
<tr>
<td>Class C</td>
<td>A3/A</td>
<td>$150 M</td>
<td>3.7%</td>
<td>High Coll.</td>
<td>3.1 yrs</td>
<td>139.3%</td>
</tr>
</tbody>
</table>

*Confidential Treatment Requested by Goldman Sachs*
Hudson Mezzanine Funding 2006-1
Transaction Overview

- Hudson Mezzanine CDO is a pure RMBS CDO and will look very different than most mezzanine deals currently in the market. Hudson will have note of the following:
  - CDO bucket
  - Negative convexity product (fixed rate RMBS)
  - BB bucket

<table>
<thead>
<tr>
<th></th>
<th>Calmness ABS CDO II</th>
<th>Gullwings CDO II</th>
<th>Gerotome VI</th>
<th>Longwood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing Fees (bps)</td>
<td>25</td>
<td>15</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Max CDO bucket</td>
<td>10%</td>
<td>10%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Fixed rate bucket</td>
<td>5%</td>
<td>NCHE</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>BB bucket</td>
<td>NONE</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Covenant/Expected</td>
<td>525</td>
<td>500</td>
<td>520</td>
<td>450</td>
</tr>
<tr>
<td>Spread</td>
<td>15.5%</td>
<td>14.8%</td>
<td>18.2%</td>
<td>17.5%</td>
</tr>
</tbody>
</table>
II. Transaction Details

Note: The information in this section is preliminary and subject to change.
### Transaction Details

**General Information**

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuers</td>
<td>Indusit Mezzanine Funding 2006-1, LTD, and Indusit Mezzanine Funding 2006-1, Corp.</td>
</tr>
<tr>
<td>Issuer Agent, Marketing and Management Agent</td>
<td>Goldman, Sachs &amp; Co.</td>
</tr>
<tr>
<td>Treasurers</td>
<td></td>
</tr>
<tr>
<td>Liquidity Agent Fee</td>
<td>10 bps per annum payable since all the notes</td>
</tr>
<tr>
<td>Reinvestment Period</td>
<td>None</td>
</tr>
<tr>
<td>Disciplinary Testing</td>
<td>None. Liquidity Agent will sell credit-risk assets based on pre-determined rules and the cash proceeds will be treated as principal paydowns</td>
</tr>
<tr>
<td>Ramp-Up Period</td>
<td>None</td>
</tr>
<tr>
<td>Non-Call Period</td>
<td>Approximately 3 years. Callable in whole or in part April 2010 by a majority vote of the Income Notes</td>
</tr>
<tr>
<td>Amortization Call</td>
<td>Commences on April 2010. Amortized annually thereafter</td>
</tr>
<tr>
<td>Call Price</td>
<td>Per year on account for Senior Notes and outright principal balance of the income notes. There is no call premium on the income notes</td>
</tr>
<tr>
<td>Paydown Frequency</td>
<td>Paydown on Class B, Senior Notes, Classes A, B, C, D and Class E Notes, Quarterly for Income Notes</td>
</tr>
<tr>
<td>Controlling Class</td>
<td>Class B, Senior Notes and Class A Notes (the &quot;Senior Notes&quot;) voting in the aggregate and paid in full, then Class B, Class C, D and Class E Notes in that order, with each Class in order</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS WBS: C-0-14067178
# Transaction Details

## Collateral Profile

<table>
<thead>
<tr>
<th>Maturity</th>
<th>4Q5</th>
</tr>
</thead>
</table>

**Purchased Collateral:** All collateral assets can be classified as RMBS, CDO or CLO Debt/Equity.

**Ratings Profile:**
- 100% of the assets are rated at least Baa3 and BBB- by Moody's and S&P.

**Target Obligor Concentration Profile:**
- Maximum Obligor concentration: 1.5%

**Collateral Haircuts:**
- 20% applied to Double-B Assets prior to sale
- 40% applied to Single-B Assets prior to sale
- 70% applied to Triple-C Assets prior to sale
- 100% applied to Defaulted Obligations

Confidential Treatment Requested by Goldman Sachs

GS NRS-E-014357179
III. Portfolio Composition

Note: The information in this section is preliminary and subject to change

Confidential Treatment Requested by Goldman Sachs
**Portfolio Highlights**

- Portfolio WARF is 485
- No CDOs
- All investment grade rated RMBS. No BBs
- No fixed rate assets
- No Option ARM assets
IV. Scenario Analysis and Modeling Assumptions
Scenario Analysis
Debt Breakeven Analysis

REVISION

Note: Default Rate is expressed as a percentage of outstanding obligation. Default occurs starting beginning of month 18 through the life of the transaction. See the "Repayment Instructions" page in the prospectus booklet for further details.

Potential investors should review the exhibits Offering Circular relating to the Notes, including the descriptions of Fixed Payments contained in such Offering Circular prior to making a decision to invest in the Notes. The potential Offering Circular will supersede this document in its entirety.

Confidential Treatment Requested by Goldman Sachs
Scenario Analysis
Modeled CDO Paydown Structure

REVISING

Note: Assumes no losses. See "Modeling Assumptions." Actual paydown may vary significantly from that shown. Assumes auction will occur.

Potential parties should review the definitive Offering Circular, existing in the Notes, including the descriptions of Risk Factors contained in such Offering Circular prior to making a decision to invest in the Notes. The definitive Offering Circular will supplement this document for accuracy.

Confidential Treatment Requested by Goldman Sachs
Modeling Assumptions [Revising]

Assumptions applicable to modeling runs (there can be no assurance that the transaction will reflect these assumptions):

<table>
<thead>
<tr>
<th>Liability Structure</th>
<th>Par %</th>
<th>Initial OC</th>
<th>Target OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Notes</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Senior Notes</td>
<td>60.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A-1 Notes</td>
<td>7.50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>7.50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B Notes</td>
<td>4.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class C Notes</td>
<td>3.50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class D Notes</td>
<td>60.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class E Notes</td>
<td>3.25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Notes</td>
<td>4.65%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- LIBOR rates are based on the forward curve as of September 1, 2006.
- The deal's amortizing interest rate swap is put into place on the Closing Date.
- The Closing Date is November 1, 2006, and the first Payment Date on the Class A and B Notes is February 2, 2007 and the first Payment Date on the Class C and D Notes and Income Notes is March 2, 2007.
- The CDO is 100% invested on the Closing Date.
- Collateral average coupon and spread is each period is calculated based on the weighted average expected coupon and spread on each Collateral Asset outstanding during such period.
- Coupon, margin over LIBOR, and fund and floating rate percentages listed above are based on composition of actual warehouse assets as of September 1, 2006.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-014367195
Modeling Assumptions

Assumptions applicable to modeling runs (there can be no assurance that the transacted will reflect these assumptions):

- Expenses are paid at the end of each period at 0.1% per annum of the outstanding collateral balance. Analysis also includes, among other things, structuring fees, surveillance fees, underwriting fees and upfront legal plus other expenses totaling approximately 1% of the total collateral pool payable upfront and 1% of the outstanding collateral pool payable ongoing.
- Absent payments received in COO payment month are paid in that same applicable payment period.
- Any set proceeds and scheduled and unscheduled principal proceed will be used, first, to redeem the Class A Notes until the Class A Notes Target Overcollateralization Ratio is met, second, to redeem the Class B Notes until the Class B Notes Target Overcollateralization Ratio is met, third, to redeem the Class C Notes until the Class C Notes Target Overcollateralization Ratio is met and then will be paid to the Class D Notes.
- Pro rata payments among classes is assumed once the Target Overcollateralization levels are met unless defaults reduce Overcollateralization Ratios below Target Overcollateralization levels or if the collateral balance falls below $450mm.
- After earned interest (including accrued and capitalized Interest) is paid, the Class D Notes receive a scheduled principal payment (the "Class D Authorizing Principal Payment") equal to $70,000 per quarter for the first 12 months and $35,000 per quarter thereafter.
- CLO Test Levels. Class A/B – 101.5% made on the 2nd of each month, and all collateral payments are assumed to be received 7.5 days prior to each payment.
- While held in cash, all interest and principal receipts are assumed to earn a per annum rate of the LIBOR minus 0.25%.
- No trading gains or call premiums are assumed.
- Defaults, if applicable, start 18 months after issuance and default rate is assumed to be a percentage of outstanding collateral, unless otherwise specified.
- Recoveries are assumed immediately upon default at 40% recovery rate.

Potential investors should review the definitive Offering Circular relating to the Notes, including the description of Risk Factors contained in the Offering Circular prior to making a decision to invest in the Notes. The definitive Offering Circular will supersede this document in its entirety.

Confidential Treatment Requested by Goldman Sachs

OS NBS-E-014367167
Appendix A – Portfolio Asset List

Note: The information in this section is preliminary and subject to change.

Confidential Treatment Requested by Goldman Sachs
Portfolio Composition
Comprehensive CDO Collateral Asset List:

Confidential Treatment Requested by Goldman Sachs

GS WBS-C-014367159
Portfolio Composition

Comprehensive CDO Collateral Asset List:
Portfolio Composition

Comprehensive CDO Collateral Asset List:

Confidential Treatment Requested by Goldman Sachs

CS MBS-5-014387191
## Portfolio Composition

Comprehensive CDO Collateral Asset List:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option A</td>
<td>30%</td>
</tr>
<tr>
<td>Option B</td>
<td>40%</td>
</tr>
<tr>
<td>Option C</td>
<td>30%</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs
Appendix B – Goldman Sachs Contact Information
Hudson High Grade Funding 2006-1, LTD
Team Contact Information [TO REVISE]

Goldman, Sachs & Co. – Structuring, Placement and Liquidation Agent
Structured Product CDOs – Structuring, Marketing and Principal Investments
Peter Craven (212) 902-4617
Carmel H. Henke (212) 902-6008
Cara Wahl (212) 902-1376
Roman Shirokov (212) 902-2392

Syndication
Buffy Bohn (212) 902-7645
Scott Wiederauer (212) 902-2698
Michael Teale (London) +44 (20) 7776-3968
Omer Chauvin (Turin) +33 (1) 9427-7199
Scott Wiederauer +41 (21) 367-8910
Talayna L. Heinrich (London) +44 (20) 7776-1033

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-014367194
Footnote Exhibits - Page 4232

From: Herrick, Daryl K.
Sent: Saturday, September 30, 2006 7:17 PM
To: Biever, Matthew G.
Subject: Re: Hudson Mezz

Thanks

------ Original Message ------
From: Biever, Matthew G.
To: Herrick, Daryl K.
Sent: Saturday, September 30, 2006 11:54 AM
Subject: Hudson Mezz

I have attached the marketing book and term sheet as it currently stands (still updating stress runs)

Would appreciate any feedback/comments you have on this because it discusses the current CDO and more importantly what our desk's strategy is with Hudson program for the future. Be interested in getting everyone's color.

I am in the office tomorrow so can talk then or whenever you get a chance can reach me on my cell [443] 326-9316
Daryl

Confidential Treatment Requested by Goldman Sachs
From:     Swenson, Michael
Sent:     Wednesday, September 27, 2006 6:32 PM
To:       Binsbaum, Josh
Subject:  ABX cdo

I am concerned that the levels we put on the ABX cdo for single-a and triple-bb do not
compare favorably with the single-a off of a ABX 1 - ABX 2 trade.

We need a good story as to why we think the risk is different.
ISDA
International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of December 1, 2006

among
GOLDMAN SACHS INTERNATIONAL and HUDSON MEZZANINE FUNDING 2006-1, LTD.

have entered and/or anticipate entering into one or more transactions (each a “Transaction”) that are or will be governed by this Master Agreement, which includes the schedule (the “Schedule”), and the documents and other confirming evidence (each a “Confirmation”) exchanged between the parties confirming those 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 Master Agreement.

(b) Inconsistencies. In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) Single Agreement. All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this “Agreement”), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value or on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds in and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 20(ii) 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, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.
Footnote Exhibits - Page 4235

(b) Change of Account. Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change;

(c) Netting. If any date amounts would otherwise be payable—

(i) in the same currency; and

(ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, reduced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay in the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) Deduction or Withholding for Tax.

(i) Gross-Up. All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, or modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will—

(1) promptly notify the other party ("Y") of such requirement;

(2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the manner of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;

(3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and

(4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for—

(A) the failure by Y to comply with or perform any agreement contained in Section 4(6)(ii), 4(6)(iii) or 4(6); or

(B) the failure of a representation made by Y pursuant to Section 3(7) to be accurate and true unless such failure would not have occurred but for (i) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (ii) a Change in Tax Law.

ISDA 1992

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021622057
Footnote Exhibits - Page 4236

(2) Liability, if —

(1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(6)(X)(ii);

(2) X does not so deduct or withhold, and

(3) a liability resulting from such Tax is assessed directly against X.

then, except to the extent Y has satisfied or has satisfied the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but excluding any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(3)(i), 4(3)(ii) or 4(6).

(e) Default Interest; Other Amounts. Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, in the case permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party or demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be satisfied by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(b), at all times until the termination of this Agreement) that—

(3) Basic Representations.

(i) Status. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;

(ii) Power. It has the power to execute this Agreement and any other document relating to this Agreement to which it is a party, to deliver this Agreement and any other document relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;

(iii) No Violation or Conflict. Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) Consents. All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) Obligations Binding. Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
Footnote Exhibits - Page 4237

(b) Absence of Certain Events. No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of it entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) Absence of Litigation. There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) Accuracy of Specified Information. All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(i) of the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) Paper Tax Representation. Each representation specified in the Schedule as being made by it for the purpose of this Section 3(i) is accurate and true.

(f) Paper Tax Representations. Each representation specified in the Schedule as being made by it for the purpose of this Section 3(i) is accurate and true.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:

(a) Furnish Specified Information. It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such governmental taxing authority as the other party reasonably directs:

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation,

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and complete in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification, in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) Maintain Authorizations. It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any other that may become necessary in the future.

(c) Comply with Laws. It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) Tax Agreement. It will give notice of any failure of a representation made by it under Section 3(i) to be accurate and true promptly upon learning of such failure.

(e) Payment of Stamp Tax. Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822059
Footnote Exhibits - Page 4238

organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction") and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) Events of Default. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party—

(i) Failure to Pay or Deliver. Failure by the party to make, when due, any payment under this Agreement or delivery under Section 3(a)(i) or (ii) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) Breach of Agreement. Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 3(a)(i) or (ii) or to give notice of a Termination Event or any agreement or obligation under Section 4(d)(i), 4(d)(ii) or 4(d)(iii) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirteenth day after notice of such failure is given to the party;

(iii) Credit Support Default. (1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under such Transaction to which such Credit Support Document relates without the written consent of the other party;

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) Misrepresentation. A representation (other than a representation under Section 3(a) or (v)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) Default under Specified Transaction. The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) Cross Default. If "Cross Default" is specified in the Schedule or applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event however

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822060
described) in respect of such party, any Credit Support Provider of such party or any applicable specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of net syntax if the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of net syntax if the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(viii) Bankruptcy. The party, any Credit Support Provider of such party or any applicable specified Entity of such party:

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fully admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (7) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, seizure or other process levied, enforced or used on or against all or substantially all its assets and such secured party maintains possession of any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereof; (8) ceases or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(viii) Merger Without Assumption. The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with into, or, transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party in this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) Termination Event. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Event if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below and, if specified to be applicable, a Credit Event Event:

6 ISDA® 1992

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-02132261
Footnote Exhibits - Page 4240

Upon Merger if the event is specified pursuant to (v) below or an Additional Termination Event if the event is specified pursuant to (v) below:

(i) Illegality. Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(i)) for such party (which will be the Affected Party):

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) Tax Event. Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, or on the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(6)(X)(X) (except in respect of interest under Section 2(6)(X)(Y) or (X) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(6)(u) or (V)) and any additional amount is required to be paid in respect of such Tax under Section 2(6)(X)(Y) (other than by reason of Section 2(6)(X)(Y)(A) or (B));

(iii) Tax Event Upon Merger. The party (the "Surviving Party") on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(6)(X)(Y) (except in respect of interest under Section 2(6)(X)(Y) or (X)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(6)(X)(Y)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such event does not constitute an event described in Section 3(9)(h)(i);

(iv) Credit Event Upon Merger. If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 3(9)(c)(iii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(v) Additional Termination Event. If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation);

(c) Event of Default and Illegality. If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.
6. Early Termination

(a) Right to Terminate Following Event of Default. If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(iv)(1), (2), (3), (4) or, to the extent analogous therein, (5), and so of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(v)(A) or, to the extent analogous therein, (6).

(b) Right to Terminate Following Termination Event.

(i) Notice. If a Termination Event occurs, an Affected Party may, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and such Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) Transfer to Avoid Termination Event. If either an Insolvency under Section 5(a)(ii)(i) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(a)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(a)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Officers or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(a)(i).

Any such transfer by a party under this Section 6(a)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) Two Affected Parties. If an Insolvency under Section 5(a)(ii)(i) or a Tax Event occurs and there are two Affected Parties, such party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(a)(i) on action to avoid the Termination Event.

(iv) Right to Terminate. If:

(1) a transfer under Section 6(a)(ii) or an agreement under Section 6(a)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(a)(i); or

(2) an Insolvency under Section 5(a)(ii)(i), a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party.

other party in the case of an Insolvency, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Credit Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021622063
Footnote Exhibits - Page 4242

continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) Effect of Designation.

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 10(a)(i) or (ii) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(b).

(d) Calculations.

(i) Statement. On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(a) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(a) and (ii) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) Payment Date. An amount calculated as being due in respect of any Early Termination Date under Section 6(c) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable Law) interest thereon (before as well as after judgment) at the Lessor Interest Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) Payments on Early Termination. If an Early Termination Date occurs, the following provisions shall apply based on the parties’ election in the Schedule of a payment measure, either “Market Quotation” or “Loss”, and a payment method, either the “First Method” or the “Second Method”. If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that “Market Quotation” or the “Second Method”, as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section shall be subject to any Set-off.

(f) Events of Default. If the Early Termination Date results from an Event of Default:—

(1) First Method and Market Quotation. If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if any, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) First Method and Loss. If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party’s Loss in respect of this Agreement.

(3) Second Method and Market Quotation. If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the
Non-defaulting Party in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(5) Second Method and Loss. If the Second Method and Loss apply, the amount will be payable equal to the Non-defaulting Party’s Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) Termination Event. If the Early Termination Date results from a Termination Event:

(1) One Affected Party. If there is one Affected Party, the amount payable will be determined in accordance with Section 6(c)(3), if Market Quotation applies, or Section 6(c)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) Two Affected Parties. If there are two Affected Parties:

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (i) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (ii) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, X will pay it to Y; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) Adjustment for Bankruptcy. In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) Pre-Enforcement. The parties agree that if Market Quotation applies or amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty such amount is payable for the loss of bargain and the loss of profits against future deals and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

10

ISDA 1992

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822065
7. Transfer

Subject to Section 6(b)(5), whether this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merge with or into, or transfer all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(c).

Any purported transfer that is not in compliance with this Section will be void.

8. Contractual Currency

(a) Payment in the Contractual Currency. Each payment under this Agreement shall be made in the relevant currency specified in this Agreement for that payment (the “Contractual Currency”). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement.

If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) Judgment. To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of same paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of same paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term “rate of exchange” includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) Severance Indemnities. To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) Evidence of Law. For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822065
Footnote Exhibits - Page 4245

9. Miscellaneous

(a) Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communications and prior writings with respect thereto.

(b) Amendment. 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 telex or electronic messages on an electronic messaging system.

(c) Survival of Obligations. Without prejudice to Sections 2(a)(ii) and 6(c)(i), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) Remedies Cumulative. Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) Counterparts and Confirmations.

(i) 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.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree in those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telex or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) No Waiver of Rights. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

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

10. Officer/ Multibranch Parties

(a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organization of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.

(b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.

(c) If a party is specified as a Multibranch Party in the Schedule, each Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document.
Footnote Exhibits - Page 4246

12. Notices

(a) Effectiveness. Any notice or other communication in respect of this Agreement may be given in any manner as set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number given in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:

(i) if in writing and delivered in person or by courier, on the date it is delivered;
(ii) if sent by telecopy, on the date the recipient's answering back is received;
(iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date mail is delivered or its delivery is attempted, or
(v) if sent by electronic messaging system, on the date that electronic message is received, unless the date of such delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) Change of Address. Either party may by notice to the other change the address, telephone or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) Governing Law. This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) Jurisdiction. With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive 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, if this Agreement is expressed to be governed by the laws of the State of New York; and
(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (notwithstanding this Agreement is expressed to be governed by English law, the Contracting State is defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1992 or any modification, extension or re-enactment thereof for the time being in force) nor with the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) Service of Process. Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any reason such Process Agent is not able to receive service of process for either party, then the address set forth in paragraph (b) above will be deemed the address for service of process.

13 ISDA 1992

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021622068
reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) Waiver of Immunity. Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suits, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be subject in any Proceedings in the courts of any Jurisdiction and irrevocably agrees to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:

"Additional Termination Event" has the meaning specified in Section 5(h).

"Affected Party" has the meaning specified in Section 5(b).

"Affected Transaction" means (x) with respect to any Termination Event consisting of an Insolvency Event, Insolvency Event Upon Merger, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (y) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means:

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of any obligation to pay an amount under Section 4(a) of either party from and after the date determined in accordance with Section 6(d)(i) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"Barred Party" has the meaning specified in Section 9(b).

"Change in Tax Law" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

"Consent" includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the interest payer (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

14 ISDA® 1992

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822069
Footnote Exhibits - Page 4248

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(v).

"Event of Default" has the meaning specified in Section 4(a) and, if applicable, the Schedule.

"Illegal" has the meaning specified in Section 5(b).

"Indemnifiable Tax" means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or referred, this Agreement or a Credit Support Document).

"Law" includes any treaty, law, rule or regulation (as modified, in the case of any relevant government revenue authority) and "lawful" and "lawfulness" will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchanges and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial centre, (c) in any of the currency of such payment, (d) in relation to any notice or other communication, including notice contemplated under Section 5(a)(ii), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (e) in relation to Section 5(a)(ii)(i), in the relevant locations for performance with respect to such Specified Transaction.

"Loss", with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Terminated Transaction Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gains, in which case expressed as a negative number) in connection with this Agreement or the Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, less or cost incurred as a result of its terminating, liquidating, obtaining or re-establishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, as so to avoid duplication, if Section 6(a)(x)(i) or (ii) or 6(b)(x)(ii)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date or, if that is not reasonably practicable, as of the earliest date thereafter on a reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotations" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Repayment Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(b)(i) in respect of each Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have
be determined.

*Non-default Rate* means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

*Non-defaulting Party* has the meaning specified in Section 6(a).

*Office* means a branch or office of a party, which may be such party's head or home office.

*Potential Event of Default* means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

*Reference Market-maker* means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

*Relevant Jurisdiction* means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organized, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

*Scheduled Payment Date* means a date on which a payment or delivery is to be made under Section 2(a)(ii) with respect to a Transaction.

*Set-off* means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

*Settlement Amount* means, with respect to a party and any Early Termination Date, the sum of:

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

*Specified Entity* has the meanings specified in the Schedule.

16

ISDAB 1992

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822071
“Specified Indebtedness” means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or security or otherwise) in respect of borrowed money.

“Specified Transaction” means, subject to the Schedule, (a) any transaction (including any agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, credit, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

“Stamp Tax” means any stamp, registration, documentation or similar tax.

“Tax” means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

“Tax Event” has the meaning specified in Section 10(b).

“Tax Event Upon Merger” has the meaning specified in Section 10(b).

“Terminated Transaction” means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) is effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if “Automatic Early Termination” applies, immediately before the Early Termination Date).

“Termination Currency” has the meaning specified in the Schedule.

“Termination Currency Equivalent” means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the “Other Currency”), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date or, if the relevant Market Operation or Loss (or the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (or in the city in which such foreign exchange agent is located) on such date so would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obligated to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

“Termination Event” means an Insolvency, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

“Termination Rate” means a rate per annum equal to the arithmetic mean of the rate (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

“Undefeated Amount” owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii) of such party under Section 2(a)(ii) or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been) but for Section 2(a)(iii) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the Site mark.
value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (or to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed as (not including) each applicable Date, at the Applicable Rate. Each amount of Earnest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligations referred to in clause (b) above shall be reasonably determined by the party obligated to make the determination under Section 16.1. Each party is or is alleged, it shall be the average of the Yen-based Currency Equivalents of the fair market value reasonably determined by each party.

In Witness Whereof the parties have caused this document to be executed as specified below with effect from the date specified on the first page of this document.

[Signature]
Matthew Defo
Authorized Signatory

[Signature]
[Name]
[Title]

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822073
value of the amount required to be delivered as of the originally scheduled date for delivery, in each case together with (b) the accrued interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obligated to make the determination under Section 4(v) or, if each party is so obligated, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

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

Goldman Sachs International (Party A)  

By: ____________________________  Name: ____________________________
   ____________________________  Title: ____________________________

Hudson Mezzanine Funding 2006-1, Ltd. (Party B)

By: ____________________________  Name: Carrie Bunton
   ____________________________  Title: Director

Confidential Treatment Requested by Goldman Sachs  
GS MBS-E-021822074

ISDA ¶ 1992
SCHEDULE

to the
ISDA MASTER AGREEMENT

dated as of
December 1, 2006

between
GOLDMAN SACHS INTERNATIONAL,
a company organized under the law of England and Wales
(“GSI”),

and
HUDSON MEZZANINE FUNDING 2006-1, LTD.,
a corporation incorporated under the laws of the Cayman Islands
(“Counterparty”)


(a) “Specified Entity”


(ii) means, in relation to Counterparty, none for the purpose of Sections 5(a)(v), 5(a)(vii), 5(a)(viii) and 5(b)(iv).

(b) “Specified Transaction”. The term “Specified Transaction” in Section 14 of the Agreement is amended in its entirety as follows:

“Specified Transaction” means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such
party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) (i) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, commodity spot transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, weather swap, weather derivative, weather option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in clause (i) that is currently, or in the future becomes, recurrently entered into the financial markets (including terms and conditions incorporated by reference in such agreements) and that is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value, (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this agreement or the relevant confirmation."

(c) The "Breach of Agreement" provisions of Section 5(a)(ii) will not apply to GSI and will not apply to Counterparty.

(d) The "Credit Support Default" provisions of Section 5(a)(iii) will apply to GSI and will apply to Counterparty, but, in respect of Counterparty, shall be amended as follows:

(i) Section 5(a)(iii)(1) shall take effect with the words "relating to payment, delivery of collateral or the establishment or maintenance of, deposit to or withdrawal from the Collateral Account (as defined in the Indenture)" inserted after the words "any agreement or obligation" and by inserting the words "and, for the avoidance of doubt, a default in the payment of any interest on a Class E Note while the Senior Swap or a Class S Note, Class A Note, Class B Note, Class C Note or Class D Note is outstanding or, a default in the payment of any interest on a Class D Note while the Senior Swap or a Class S Note, Class A Note, Class B Note or Class C Note is outstanding or, a default in the payment of any interest on a Class C Note while the Senior Swap or a Class S Note, Class A Note or Class B Note is outstanding will not constitute a "Credit Support Default" hereunder" at the end of such Section 5(a)(iii)(1).
(ii) Section 5.5(3)(b)(2) shall be replaced in its entirety by the following: “the expiration or termination of such Credit Support Document or the failure or ceasing of such Credit Support Document, or any security interest granted by such party or such Credit Support Provider to the other party pursuant to any such Credit Support Document, to be in full force and effect for the purpose of this Agreement (in each case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or”.

c) The "Misrepresentation" provisions of Section 5(a)(iv) will not apply to GSI and will not apply to the Counterparty.

d) The "Default Under Specified Transaction" provisions of Section 5(a)(v) will not apply to GSI and will not apply to the Counterparty.

e) The "Cross Default" provisions of Section 5(a)(vi) will not apply to GSI and will not apply to Counterparty.

f) The "Bankruptcy" provisions of Section 5(a)(vii) will apply to GSI and will apply to Counterparty, but, in respect of Counterparty, shall be amended as follows:

(i) Sections 5(a)(vii)(2) shall not apply,

(ii) Section 5(a)(vii)(3) shall take effect with the words "the Noteholders" substituted for "its creditors";

(iii) The words "(which, for the avoidance of doubt, shall not be construed as meaning the Trustee appointed pursuant to the Issue of the Notes)" shall be added after the word "trustee" in Section 5(a)(vii)(6),

(iv) Section 5(a)(vii)(6) and (7) shall take effect with the words "its assets comprised in the Pledged Assets (as defined in the Indenture)" substituted for "all or substantially all its assets", and

(v) Section 5(a)(vii)(8) shall take effect with reference to the other clauses of Section 5(a)(vii) as amended by this Part 1(b) of the Schedule.

(i) The "Credit Event Upon Merger" provisions of Section 5(b)(vi) will not apply to GSI and will not apply to Counterparty.

(ii) The "Automatic Early Termination" provision of Section 6(a) will not apply to GSI and will not apply to Counterparty.

(k) Payments on Early Termination. For the purpose of Section 6(e):

(i) Market Quotation will apply.
(ii) The Second Method will apply.

(i) "Termination Currency" means United States Dollars.

(m) The parties agree to amend the following subsections of Section 5(a) as follows:

(i) clause (i): in the third line of this clause, delete the word "third" and insert the word "fifth."

(ii) clause (ii): in the fifth line of this clause, delete the word "thirtieth" and insert the word "fifth;" and

(iii) clause (vii)(d): delete, following the word "liquidation" in line 9, the clause beginning with "and, in the case of" and ending with the word "thereof" in line 13; and in Clause (vii)(e): delete, following the word "assets" in line 19, the clause beginning with "and such secured party" and ending with the word "thereafter" in line 21, to eliminate the 10-day grace period.

(n) Additional Terminations Event will apply.

(l) Each of the following shall constitute an Additional Termination Event with respect to Counterparty:

a. It shall be an Additional Termination Event if an Event of Default (as defined in the Indenture) with respect to the Notes occurs and is continuing and there has been a liquidation (in whole), or the commencement of a liquidation (in whole), of the assets of Counterparty as set forth in the Indenture.

b. It shall be an Additional Termination Event if Counterparty redeems the Secured Notes in full pursuant to the Indenture (from proceeds at least equal to the applicable Secured Redemption Price) or the outstanding principal balance of the Secured Notes amortizes down to zero.

c. It shall be an Additional Termination Event if the Indenture is supplemented or amended without the consent of GSI and such supplement or amendment affects the provisions governing the rights of the Credit Protection Buyer (as such term is defined in the Indenture) and has, in the reasonable judgment of GSI, a material adverse effect on GSI, provided, however, that such consent shall not be unreasonably withheld or delayed by GSI, provided further that GSI has notified the Counterparty that such supplement or amendment would have a material adverse effect on GSI after GSI has received notice of any such supplement or amendment in accordance with Section 8.1(g) of the Indenture.

d. It shall be an Additional Termination Event if GSI, in its capacity as Credit Protection Buyer is no longer a Secured Party under the Indenture.
or if the Trustee's security interest in the Collateral and the Collateral Account is impaired or no longer existing.

For the purpose of each of the foregoing Additional Termination Events, the Affected Party shall be the Counterparty.

(ii) The following shall constitute an Additional Termination Event with respect to GSI.

Failure by GSI to take any action required under the ratings downgrade provision set forth below, unless the Rating Agency Condition (as defined herein) has been satisfied notwithstanding such failure.

(i) In the event that any Notes rated by S&P remain outstanding and the unsecured, unsubordinated debt rating of GSI or GSI's Credit Support Provider, whichever is higher, assigned by S&P at any time falls below "AA-" (or is on downgrade watch at "AA-") for its long term rating and GSI shall fail to make the Expected Fixed Payment as set forth in the related Confirmation, GSI shall, or shall cause its Credit Support Provider to, within 30 days of the date of such downgrade:

(A) transfer all of its rights and obligations under this Agreement to another entity which has such required ratings; or

(B) cause an entity with such required ratings to guarantee or provide an indemnity in respect of GSI's or its Credit Support Provider's obligations under this Agreement in a manner which satisfies the Rating Agency Condition with respect to S&P.

(ii) In the event that any Notes rated by Moody's remain outstanding and the unsecured, unsubordinated debt rating of GSI or GSI's Credit Support Provider, whichever is higher, assigned by Moody's at any time falls below "Aa3" for its long term rating (or is on downgrade watch at "Aa3"), and GSI shall fail to make the Expected Fixed Payment as set forth in the related Confirmation, GSI shall, or shall cause its Credit Support Provider to, within 30 days of the date of such downgrade:

(A) transfer all of its rights and obligations under this Agreement to another entity which has such required ratings; or

(B) cause an entity with such required ratings to guarantee or provide an indemnity in respect of GSI's or its Credit Support Provider's obligations under this Agreement in a manner which satisfies the Rating Agency Condition with respect to Moody's.

(iii) For the avoidance of doubt, GSI shall be responsible for:

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822079
Footnote Exhibits - Page 4258

(i) locating a party with the required ratings to transfer (within 30 days and at its own cost) all its interest in and obligations under this Agreement or to guarantee or provide an indemnity in respect of, its obligations under this Agreement or to post collateral in accordance with the CSA; and

(ii) any cost incurred by it in complying with its obligations under this Part 1(n).

(iv) In the event that any Notes rated by S&P remain outstanding and the unsecured, unsubordinated debt rating of GSI or GSI’s Credit Support Provider, whichever is higher, assigned by S&P at any time falls below “BBB+” for its long term rating and GSI or GSI’s Credit Support Provider posts collateral under a CSA, GSI shall, or shall cause its Credit Support Provider to, within 30 days of the date of such downgrade to provide to Counterparty an opinion as to the enforceability of such CSA, subject to customary and usual assumptions, carveouts and exceptions.

For the purpose of each of the foregoing Additional Termination Events, the Affected Party shall be GSI and all Transactions shall be Affected Transactions.

Part 2. Tax Representations

(a) Payor Tax Representations. For the purposes of Section 3(c), GSI and Counterparty make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii), or 6(c) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(ii) of this Agreement, and the accuracy and effectiveness of

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822080
any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(ii) of this Agreement, and (ii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(b) Payee Tax Representations. For the purpose of Section 3(f), GSI and Counterparty make the following representation: Not Applicable.

Part 3. Agreement to Deliver Documents

(a) For the purpose of Section 4(a), Tax forms, documents, or certificates to be delivered are:

none

(b) Other documents to be delivered are:

<table>
<thead>
<tr>
<th>Party required to deliver</th>
<th>Form/Document/Certificate</th>
<th>Date by which to be delivered</th>
<th>Covered by Section 3(f) Representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSI and Counterparty</td>
<td>Evidence of authority of signatories</td>
<td>Upon or promptly following execution of this Agreement</td>
<td>Yes</td>
</tr>
<tr>
<td>GSI and Counterparty</td>
<td>Any Credit Support Document specified in Part 4(f) herein</td>
<td>Upon execution of this Agreement</td>
<td>No</td>
</tr>
<tr>
<td>GSI</td>
<td>Most recent annual audited and quarterly financial statements of the Credit Support Provider</td>
<td>Promptly following reasonable demand by the other party</td>
<td>Yes</td>
</tr>
<tr>
<td>Counterparty</td>
<td>Certified resolutions of its board of directors or other governing body</td>
<td>Upon execution of this Agreement</td>
<td>Yes</td>
</tr>
<tr>
<td>Counterparty</td>
<td>Legal opinion with respect to Counterparty</td>
<td>Upon execution of this Agreement</td>
<td>No</td>
</tr>
<tr>
<td>Counterparty</td>
<td>A copy of the Note Valuation Report (as defined in the Indenture)</td>
<td>Upon request from GSI</td>
<td>Yes</td>
</tr>
</tbody>
</table>
### Part 4. Miscellaneous

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

**(i) Address for notices or communications to OSI:**

Address: Peterborough Court  
133 Fleet Street  
London EC4A 2BB

Fixed Income / Credit Derivatives: Facsimile No. 44-20-7774 5115  
Equity Derivatives: Facsimile No. 44-20-7774 1500  
Foreign Exchange: Facsimile No. 44-20-7774 1201  
Legal Department: Facsimile No. 44-20-7774 1313  
Telephone No. 44-20-7774-1000

**(ii) Address for notices or communications to Counterparty:**

Hudson Mezzanine Funding 2006-1, Ltd.  
Maples Finance Limited  
P.O. Box 1093 OT  
Queenstown House, South Church Street  
George Town, Grand Cayman  
Cayman Islands  
Tel: (345) 945-7009  
Fax: (345) 945-7100  
Attention: Directors

with a copy to:

The Bank of New York Trust Company, National Association  
601 Travis Street, 10th Floor  
Houston, Texas 77002  
Attention: Global Corporate Trust-Hudson  
Mezzanine Funding 2006-1, Ltd.  
Tel: (713) 483-6000  
Fax: (713) 483-6001

---

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822082
(b) Process Agent. For the purpose of Section 13(c):
GSI appoints as its Process Agent:
Not applicable.
Counterparty appoints as its Process Agent:
CT Corporation, 111 Eighth Avenue, New York, New York 10011

(c) Offices. The provisions of Section 10(a) will apply to this Agreement.

(d) Multibranch Party. For the purpose of Section 10(c):
GSI is not a Multibranch Party.
Counterparty is not a Multibranch Party.

(e) Calculation Agent. The Calculation Agent is GSI.

(f) Credit Support Document. The Indenture shall constitute a Credit Support Document with respect to the obligations of Counterparty. Details of any other Credit Support Document, each of which is incorporated by reference in, and made part of, this Agreement and each Confirmation (unless provided otherwise in a Confirmation) as if set forth in full in this Agreement or such Confirmation:

(i) Each of the Guaranty by The Goldman Sachs Group, Inc. ("Goldman Group") in favor of Counterparty as beneficiary thereof and, if a Credit Support Annex is entered into between Counterparty and GSI, such Credit Support Annex, shall constitute a Credit Support Document with respect to the obligations of GSI.

(g) Credit Support Provider.
Credit Support Provider means in relation to GSI, Goldman Group.
Credit Support Provider means in relation Counterparty, none.

(h) Governing Law. Section 13(a) is hereby replaced with the following:

(a) Governing Law. This Agreement and each Transaction entered into hereunder will be governed by, and construed and enforced in accordance with, the law of the State of New York.

(i) Jurisdiction. Section 13(b) is hereby amended by:

(i) deleting in the second line of subparagraph (i) thereof the word "non-"; and
Footnote Exhibits - Page 4262

(ii) deleting the final paragraph thereof.

(i) **Netting of Payments.** Subparagraph (ii) of Section 2(c) will not apply to Transactions. Notwithstanding anything to the contrary in Section 2(c), unless otherwise expressly agreed by the parties, the netting provided for in Section 2(e) will not apply separately to any pairings of branches or Offices through which the parties make and receive payments or deliveries.

(k) "Affiliate" will have the meaning specified in Section 14 of this Agreement; provided that Counterparty shall be deemed to have no Affiliates other than Hudson Mezzanine Funding 2006-1, Corp.

(f) Notwithstanding any provision of this Agreement or any other existing or future agreement, each party irrevocably waives any and all rights it may have to set off, net, recoup or otherwise withhold or suspend or condition payment or performance of any obligation between it and the other party hereunder against any obligation between it and the other party under any other agreements.

Part 5. **Other Provisions**

(a) **Accuracy of Specified Information.** Section 3(b) is hereby amended by adding in the third line thereof after the word "respect" and before the period, the phrase "or, in the case of audited or unaudited financial statements, a fair presentation of the financial condition of the relevant person."

(b) [Reserved].

(c) **Additional Representations.** The parties agree to amend Section 3 by adding new Sections 3(g), (b), and (c) as follows:

(g) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(h) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822084
Footnote Exhibits - Page 4263

(i) Status of Parties. The other party is not acting as a fiduciary for
or an adviser to it in respect of that Transaction.

(d) Non-Petition. GSI agrees that it will not, prior to the date following the payment
in full of all of the Notes and the expiration of a period of one year and one day
thereafter and any additional applicable preference periods then in effect under
the United States Bankruptcy Code or other applicable law relating to any such
payment, acquiesce, petition or otherwise invoke the process of any governmental
authority for the purpose of commencing a case (whether voluntary or
involuntary) against Counterparty under any bankruptcy, insolvency or similar
law or appointing a receiver, liquidator, assignee, trustee, custodian, reorganization
or other similar official of Counterparty or any substantial part of its property or
ordering the winding up or liquidation of the affairs of Counterparty; provided,
however, that this shall not restrict or prohibit GSI from joining in any existing
bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation
proceedings or other analogous proceedings under applicable laws. This "Non-
Petition" paragraph shall survive termination of this Agreement.

Limited Recourse to Counterparty. Notwithstanding anything to the contrary
contained herein, the obligations of Counterparty under this Agreement will
constitute limited recourse obligations of Counterparty payable solely from the
Collateral in accordance with the Indenture and following realization of the
Collateral any obligations of Counterparty and any claim against Counterparty
under this Agreement shall be extinguished and shall not thereafter revive. None
of the agents, partners, beneficiaries, officers, directors, employees, shareholders
or any Affiliate of Counterparty or any of their respective successors or assigns
shall be personally liable for any amounts payable, or performance due, under this
Agreement. It is understood that the foregoing provisions of this paragraph shall
not (i) prevent recourse to the Collateral for the sums due or to become due under
any security, instrument or agreement which is part of the Collateral or (ii)
constitute a waiver, release or discharge of any obligation under this Agreement
until all such Collateral has been realized and applied in accordance with the
Indenture, whereupon any outstanding obligation shall be extinguished and shall
not thereafter revive. It is further understood that the foregoing provisions of this
paragraph shall not limit the right of GSI to declare an Event of Default with
respect to Counterparty or to name Counterparty as a party defendant in any
action or suit or in the exercise of any other remedy under this Agreement, so long
as no judgment in the nature of a deficiency judgment or seeking personal liability
shall be asked for or (if obtained) enforced against Counterparty. This "Limited
Recourse to Counterparty" paragraph shall survive termination of this Agreement.

(e) No Transfer without Prior Satisfaction of the Rating Agency Conditions.
Section 7 of this Agreement is hereby amended by inserting (i) the following
immediately after the words "other party" and immediately before the words ",
except that:" "and unless the Rating Agency Condition (as defined herein) is
satisfied with respect to such transfer," (ii) in clause (a) the words "or
These exhibits are confidential and are the property of Goldman Sachs. Under no circumstances may they be reproduced or used without the written permission of Goldman Sachs.
"Trustee" means The Bank of New York Trust Company, National Association, as trustee, pursuant to the Indenture.

(1) Consent to Recording. Each party consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties, with or without the use of a warning tone, and their Affiliates in connection with this Agreement or any potential Transaction.

(2) Definitions. The definition of "Termination Currency Equivalent" in Section 14 is hereby amended by deleting in its entirety the text after the first three lines thereof and replacing it with the following:

"by the party making the relevant determination in any commercially reasonable manner as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant amount determined in accordance with Section 6(e) is determined as of a later date, that later date, for value on the date the payment or settlement payment is due."

The definition of "Affected Transactions" in Section 14 is hereby amended by deleting in its entirety the text after the word "measure" in the first line thereof and replacing it with the following:

"with respect to any Termination Event, all Transactions which are Transactions under which such Termination Event occurs."
IN WITNESS WHEREOF, the parties have executed this document on the respective dates specified below with effect from the dates specified on the first page of this document.

GOLDMAN SACHS INTERNATIONAL

HUDSON MEZZANINE FUNDING 2006-1, LTD.

Matthew Feit
Authorized Signatory

Schedule to Credit Agreement

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021922088
IN WITNESS WHEREOF, the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

GOLDMAN SACHS INTERNATIONAL

Name:

Title:

Date:

HUDSON MEZZANINE FUNDING 2006-1, LTD.

Name: Carrie Bunton

Title: Director

Date:

Schedule of Credit Default Swap

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822089
CONFIRMATION

DATE: December 1, 2006

TO: Hudson Mezzanine Funding 2006-1, Ltd.

FROM: Goldman Sachs International
       Credit Derivatives Middle Office
       Telephone No.: 1 212 357 2610
       Facsimile No.: 1 212 428 9189

RE: Credit Derivative Transaction on Asset-Backed Securities with Pay-As-You-Go
    as Physical Settlement (RMBS)

REF NO: See Annex C

The purpose of this letter (the "Confirmation") is to confirm the terms and conditions of the
Credit Derivative Transaction entered into on the Trade Date specified below (each, a
Component Transaction, and collectively, the "Transaction") by Goldman Sachs International
("GSI"), guaranteed by The Goldman Sachs Group, Inc. ("Goldman Group"), and Hudson
Mezzanine Funding 2006-1, Ltd. ("Counterparty"). This Confirmation constitutes a
"Confirmation" as referred to in the ISDA Master Agreement specified below.

This Confirmation is subject to, and incorporates by reference, the 2003 ISDA Credit Derivatives
Definitions (the "Credit Derivatives Definitions"), as published by the International Swaps and
Derivatives Association, Inc. ("ISDA"). This Confirmation supplements, forms a part of and is
subject to the ISDA Master Agreement dated as of December 1, 2006 (the "Agreement")
between GSI and Counterparty. All provisions contained in, or incorporated by reference to, the
Agreement shall govern this Confirmation except as expressly modified below. In the event of
any inconsistency between this Confirmation, the Credit Derivatives Definitions, or the
Agreement, as the case may be, this Confirmation will control for purposes of each Component
Transaction to which this Confirmation relates.

References in this Confirmation to a "Reference Obligation" shall be to the terms of such
Reference Obligation (as defined below) set out in the related Underlying Instruments (as
defined below) as amended from time to time unless otherwise specified below.

GSI and Counterparty agree that, by entering into this Transaction, they have entered into a
separate and independent Credit Derivative Transaction (a "Component Transaction") in respect
of each Reference Obligation listed in Annex C attached hereto. A confirmation in the form of
this Confirmation shall be deemed to be entered into in respect of each such Component
Transaction evidencing the provision of credit default protection with respect to a Credit Event
of each such Reference Entity and each such Reference Obligation and that accordingly there
may be more than one Credit Event, more than one Physical Settlement amount and more than
one Physical Settlement Date and that the Definitions (and in particular the definition of
"Termination Date") should, for the purposes of this Confirmation, be interpreted accordingly.
Thus relevant sections of the Definitions (including but not limited to Sections 1.8, 3.2 and 7.8)

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822090
shall be continued to apply separately with respect to each Reference Entity or Reference Obligation, as applicable, except as otherwise provided in this Confirmation.

Each Component Transaction (a) constitutes a separate and independent Credit Derivative Transaction between GSI and Counterparty with respect to a Reference Obligation listed in Annex C attached hereto, (b) shall not be affected by any other Credit Derivative Transaction between GSI and Counterparty and (c) shall operate independently of each other Component Transaction in all respects.

The terms of the each Component Transaction to which this Confirmation relates are as follows:

1. **General Terms:**
   - **Trade Date:** December 1, 2006
   - **Effective Date:** December 5, 2006
   - **Scheduled Termination Date:** Subject to paragraph 5, for each Reference Obligation, the Legal Final Maturity Date set forth in Annex C attached hereto, subject to adjustment in accordance with the Following Business Day Convention.
   - **Termination Date:** The last to occur of:
     - (a) the fifth Business Day following the Effective Maturity Date;
     - (b) the last Floating Rate Payer Payment Date;
     - (c) the last Delivery Date; and
     - (d) the last Additional Fixed Amount Payment Date.
   - **Floating Rate Payer:** Counterparty (the "Seller")
   - **Fixed Rate Payer:** GSI (the "Buyer")
   - **Calculation Agent:** GSI
   - **Calculation Agent City:** New York
   - **Business Day:** New York, Houston and London

Confidential Treatment Requested by Goldman Sachs
Business Day Convention:
Following (which, with the exception of the Effective Date, the Final Amortization Date, each Reference Obligation Payment Date and the period end date of each Reference Obligation Calculation Period, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entity:
The relevant Reference Entity identified in Annex C attached hereto. References herein to "Issuer" shall mean the Reference Entity for the relevant Component Transaction.

Reference Obligation:
The obligation identified in Annex C attached hereto for the relevant Reference Entity.

"Original Principal Amount" shall mean the amount set forth in Annex C hereto for the relevant Reference Obligation.

"Initial Factor" shall mean the amount set forth in Annex C hereto for the relevant Reference Obligation.

Issuer: Not Applicable.

Section 2.30 of the Credit Derivatives Definitions shall not apply.

Reference Policy:
Not Applicable.

Reference Price:
100%

Applicable Percentage:
On any day, a percentage equal to A divided by B.

"A" means the product of the Initial Face Amount and the Initial Factor as decreased on each Delivery Date by an amount equal to (a) the outstanding principal balance of Deliverable Obligations Delivered to Seller (as adjusted by the Relevant Amount, if any) divided by the Current Factor on such day multiplied by (b) the Initial Factor.

"B" means the product of the Original Principal Amount and the Initial Factor:

(a) as increased by the outstanding principal balance of any further issues by the Reference Entity that are fungible with and form part of

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822092
the same legal series as the Reference Obligation; and

(b) as decreased by any cancellations of some or all of the Outstanding Principal Amount resulting from purchases of the Reference Obligation by or on behalf of the Reference Entity.

Initial Face Amount:
For each Reference Obligation, the Initial Face Amount set forth in Annex C attached hereto.

Reference Obligation Notional Amount:
On the Effective Date, the product of:
(a) the Original Principal Amount;
(b) the Initial Factor; and
(c) the Applicable Percentage.

Following the Effective Date, the Reference Obligation Notional Amount will be:
(i) decreased on each day on which a Principal Payment is made by the relevant Principal Payment Amount;
(ii) decreased on each day on which a Failure to Pay Principal occurs by the relevant Principal Shortfall Amount;
(iii) decreased on each day on which a Write-Down occurs by the relevant Write-Down Amount;
(iv) increased on each day on which a Write-Down Reimbursement occurs by any Write-Down Reimbursement Amount in respect of a Write-Down Reimbursement within paragraphs (ii) or (iii) of the definition of "Write-Down Reimbursement", and
(v) decreased on each Delivery Date by an amount equal to the relevant Exercise Amount minus the amount determined pursuant to paragraph (b) of "Physical Settlement Amount" below, provided that if any Relevant Amount is applicable, the Exercise Amount will also be deemed to be decreased by such amount.
Relevant Amount (or increased by the absolute value of such Relevant Amount if such Relevant Amount is negative) with effect from such Delivery Date;

provided that if the Reference Obligation National Amount would be less than zero, it shall be deemed to be zero.

Initial Payment: Not applicable

2. Fixed Payments:

Fixed Rate Payer: Buyer

Fixed Rate: The relevant Fixed Rate (expressed on a per annum basis) set forth in Annex C attached hereto corresponding to the relevant Reference Obligation, subject to adjustment in accordance with paragraph 5 below.

Fixed Rate Payer Period End Date: The first day of each Reference Obligation Calculation Period.

Fixed Rate Payer Payment Dates: Each day falling five Business Days after a Reference Obligation Payment Date; provided that the final Fixed Rate Payer Payment Date shall fall on the fifth Business Day following the Effective Maturity Date.

Fixed Amount: (I) With respect to any Fixed Rate Payer Payment Date on which the senior unsecured debt ratings of GS or the Goldman Group, whichever is higher, is at least "AA-" by S&P (and, if rated "AA-" is not on downgrade watch) and at least "Aa3" by Moody's (and, if rated "Aa3", is not on downgrade watch), an amount equal to the product of:

(a) the Fixed Rate;

(b) an amount determined by the Calculation Agent equal to (i) the sum of the Reference Obligation National Amount at 5:00 p.m. in the Calculation Agent City on each day in the related Fixed Rate Payer Calculation Period divided by (ii) the actual number of days in the related Fixed Rate Payer Calculation Period; and

(c) the actual number of days in the related Fixed
Rate Payer Calculation Period divided by 360.

(II) With respect to any Fixed Rate Payer Payment Date on which the senior unsecured debt ratings of GS1 or the Goldman Group, whichever is higher, is below "AA-" by S&P (or, if it is "AA-", is on downgrade watch) or below "Aa3" by Moody's (or, if it is "Aa3", is on downgrade watch), an amount equal to the greater of (a) zero and (b) the Expected Fixed Amount with respect to such Fixed Rate Payer Payment Date.

(III) With respect to the Fixed Rate Payer Payment Date immediately following the downgrade of the senior unsecured debt ratings of GS1 or the Goldman Group, whichever is higher, to lower than "AA-" by S&P or "Aa3" by Moody's (or if it is "AA-" or "Aa3", the placement on watch for possible downgrade by S&P or Moody's, respectively), the sum of the amounts calculated pursuant to (I) and (II) above shall be payable with respect to such Fixed Rate Payer Payment Date only.

Expected Fixed Amount:
With respect to any Fixed Rate Payer Payment Date, an amount equal to (a) the Fixed Amount for the next succeeding Fixed Rate Payer Calculation Period as calculated pursuant to clause (I) under "Fixed Amount" above, assuming that the Reference Obligation Notional Amount on each day in such Fixed Rate Payer Calculation Period is equal to the Reference Obligation Notional Amount on the last day of the Fixed Rate Payer Calculation Period relating to the Fixed Rate Payer Payment Date on which the payment is being made, plus (b) the difference (which may be positive or negative) between the Expected Fixed Amount paid on the prior Fixed Rate Payer Payment Date, if any, over the Fixed Amount for such Fixed Rate Payer Payment Date as calculated pursuant to clause (I) under "Fixed Amount" above.

Additional Fixed Amount Payment Dates:
(a) Each Fixed Rate Payer Payment Date; and

(b) in relation to each Additional Fixed Payment Event occurring after the second Business Day prior to the last Fixed Rate Payer Payment Date, the fifth Business Day after Buyer has received notification

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-021822095
Footnote Exhibits - Page 4274

from Seller or the Calculation Agent of the occurrence of such Additional Fixed Payment Event.

Additional Fixed Payments:

Following the occurrence of an Additional Fixed Payment Event in respect of the Reference Obligation, Buyer shall pay the relevant Additional Fixed Amount to Seller on the first Additional Fixed Amount Payment Date falling at least two Business Days (or in the case of an Additional Fixed Payment Event that occurs after the second Business Day prior to the last Fixed Rate Payment Date, the fifth Business Day) after the delivery of a notice by the Calculation Agent to the parties or by Seller to Buyer stating that the related Additional Fixed Amount is due and showing in reasonable detail how such Additional Fixed Amount was determined; provided that any such notice must be given on or prior to the fifth Business Day following the day that is one calendar year after the Effective Maturity Date.

Additional Fixed Payment Event:

The occurrence on or after the Effective Date and on or before the day that is one calendar year after the Effective Maturity Date of a Writedown Reimbursement, Principal Shortfall Reimbursement or an Interest Shortfall Reimbursement.

Additional Fixed Amount:

With respect to each Additional Fixed Amount Payment Date, an amount equal to the sum of:

(a) the Writedown Reimbursement Payment Amount (if any);

(b) the Principal Shortfall Reimbursement Payment Amount (if any); and

(c) the Interest Shortfall Reimbursement Payment Amount (if any).

Writedown Reserve Requirement:

Upon receipt of any Writedown Amount, if the long-term rating of Buyer or any guarantor of Buyer's obligations under this Confirmation (whichever is higher) is below "AA-" by S&P (or such rating has been withdrawn), Buyer shall reserve with Seller the related Writedown Reserve Amount, if any.

Writedown Reserve Amounts:

With respect to any Writedown Amount received with respect to which there is a Writedown Reserve Requirement, the excess, if any, of (i) the product of

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822096
(1) the related Reference Obligation Amortized Amount of such Reference Obligation and (2) the Current Market Price of such Reference Obligation over (ii) the Reference Obligation Notional Amount.

If on any date Buyer shall be obligated to pay to Seller any Additional Fixed Amount in respect of such Reference Obligation but Buyer fails to do so, the Write-down Reserve Amount, if any, reserved with Seller shall be applied to pay such Additional Fixed Amounts.

3. Floating Payments:

Floating Rate Payer: Seller

Floating Rate Payer Payment Dates: In relation to a Floating Amount Event, the first Fixed Rate Payer Payment Date falling at least two Business Days (or in the case of a Floating Amount Event that occurs on the Legal Final Maturity Date or the Final Amortization Date, the fifth Business Day) after delivery of a notice by the Calculation Agent to the parties or a notice by Buyer to Seller that the related Floating Amount is due and showing in reasonable detail how such Floating Amount was determined; provided that in the case of a Floating Amount Event that occurs on the Legal Final Maturity Date or the Final Amortization Date, such notice must be given on or prior to the fifth Business Day following the Legal Final Maturity Date or the Final Amortization Date, as applicable.

Floating Payments: If a Floating Amount Event occurs, then on the relevant Floating Rate Payer Payment Date, Seller will pay the relevant Floating Amount to Buyer. For the avoidance of doubt, the Conditions to Settlement are not required to be satisfied in respect of a Floating Payment.

Floating Amount Event: A Write-down, Failure to Pay Principal or an Interest Shortfall.

Floating Amount: With respect to each Floating Rate Payer Payment Date, an amount equal to the sum of:

(a) the relevant Write-down Amount (if any);
(b) the relevant Principal Shortfall Amount (if any); and
Footnote Exhibits - Page 4276

(c) the relevant Interest Shortfall Payment Amount (if any).

For the avoidance of doubt, each Written Down Amount, Principal Shortfall Amount or Interest Shortfall Payment Amount (as applicable) shall be calculated using the Applicable Percentage which takes into account the aggregate adjustment made to the Applicable Percentage in respect of all Delivery Dates that have occurred prior to the date of such calculation.

Conditions to Settlement: Credit Event Notice
Notifying Party: Buyer
Notice of Publicly Available Information: Notice of Physical Settlement
Public Sources: The public sources listed in Section 3.7 of the Credit Derivatives Definitions; provided that Servicer Reports in respect of the Reference Obligation and, in respect of a Distressed Ratings Downgrade Credit Event only, any public communications by any of the Rating Agencies in respect of the Reference Obligation shall also be deemed Public Sources.
Specified Number: 1

provided that if the Calculation Agent has previously delivered a notice to the parties or Buyer has previously delivered a notice to Seller pursuant to the definition of "Floating Rate Payer Payment Dates" above in respect of a Written Down or a Failure to Pay Principal, the only Condition to Settlement with respect to any Credit Event shall be a Notice of Physical Settlement.

The parties agree that with respect to each Component Transaction and notwithstanding anything to the contrary in the Credit Derivatives Definitions:

(a) the Conditions to Settlement may be satisfied on more than one occasion;

Confidential Treatment Requested by Goldman Sachs
(b) multiple Physical Settlement Amounts may be payable by Seller;

(c) Buyer, when providing a Notice of Physical Settlement, must specify an Exercise Amount and an Exercise Percentage;

(d) if Buyer has delivered a Notice of Physical Settlement that specifies an Exercise Amount that is less than the Reference Obligation Notional Amount as of the date on which such Notice of Physical Settlement is delivered (calculated as though Physical Settlement in respect of all previously delivered Notices of Physical Settlement has occurred in full), the rights and obligations of the parties under the Component Transaction shall continue and Buyer may deliver additional Notices of Physical Settlement with respect to the initial Credit Event or with respect to any additional Credit Event at any time thereafter; and

(e) any Notice of Physical Settlement shall be delivered no later than 30 calendar days after the fifth Business Day following the earlier of the Effective Maturity Date and the Optional Step-up Early Termination Date.

Section 3.2(d) of the Credit Derivatives Definitions is amended to delete the words "that is effective no later than thirty calendar days after the Event Determination Date".

Credit Events: The following Credit Events shall apply to each Component Transaction (and the first sentence of Section 4.1 of the Credit Derivatives Definition shall be amended accordingly):

- Failure to Pay Principal
- Writedown
- Distressed Ratings Downgrade

Obligation: Reference Obligation Only

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822099
### 4. Interest Shortfall

**Interest Shortfall Payment Amount:**
In respect of an Interest Shortfall, the relevant Interest Shortfall Amount; provided that, if Interest Shortfall Cap is applicable and the Interest Shortfall Amount exceeds the Interest Shortfall Cap Amount, the Interest Shortfall Payment Amount in respect of such Interest Shortfall shall be the Interest Shortfall Cap Amount.

**Interest Shortfall Cap:**
Interest Shortfall Cap shall apply only in respect of those Component Transactions, if any, for which Interest Shortfall Cap is specified as being applicable on Annex C attached hereto.

**Interest Shortfall Cap Amount:**
As set out in Annex A attached hereto.

**Actual Interest Amount:**
With respect to any Reference Obligation Payment Date, payment by or on behalf of the Issuer of an amount in respect of interest due under the Reference Obligation including, without limitation, any deferred interest or defaulted interest, but excluding payments in respect of prepayment penalties or principal (except that the Actual Interest Amount shall include any payment of principal representing capitalized interest) paid to the holder(s) of the Reference Obligation in respect of the Reference Obligation.

**Expected Interest Amount:**
With respect to any Reference Obligation Payment Date, the amount of current interest that would accrue during the related Reference Obligation Calculation Period calculated using the Reference Obligation Coupon on a principal balance of the Reference Obligation equal to:

(a) the Outstanding Principal Amount taking into account any reductions due to a principal deficiency balance or realized loss amount (however described in the Underlying Instruments) that are attributable to the Reference Obligation, minus

(b) the Aggregate Impaired Writedown Amount (if any), and that will be payable on the related Reference Obligation Payment Date assuming for this purpose that sufficient funds are available therefor in
accordance with the Underlying Instruments.

Except as provided in (a) in the previous sentence, the
Expected Interest Amount shall be determined without
regard to (i) unpaid amounts in respect of accrued
interest on prior Reference Obligation Payment Dates,
or (ii) any prepayment penalties or yield maintenance
provisions, and in any case without regard to the effect
of any provisions (however described) of the
Underlying Instruments that otherwise permit the
limitation of due payments or distributions of funds
available from proceeds of the Underlying Assets, or
that provide for the capitalisation or deferral of interest
on the Reference Obligation, or that provide for the
extinguishing or reduction of such payments or
distributions (but, for the avoidance of doubt, taking
account of any Write-down within paragraph (i) of the
definition of "Write-down" occurring in accordance
with the terms of the Underlying Instruments).

Interest Shortfall:

With respect to any Reference Obligation Payment
Date, either (a) the non-payment of an Expected
Interest Amount or (b) the payment of an Actual
Interest Amount that is less than the Expected Interest
Amount.

For the avoidance of doubt, the occurrence of an event
within (a) or (b) shall be determined taking into
account any payment made under the Reference Policy,
if applicable.

Interest Shortfall Amount:

With respect to any Reference Obligation Payment
Date, an amount equal to the greater of:

(a) zero; and

(b) the amount equal to the product of:

(i) the Expected Interest Amount;

(ii) the Actual Interest Amount; and

provided that, with respect to the first Reference
Obligation Payment Date only, the Interest Shortfall
Amount shall be the amount determined in accordance
with (a) and (b) above multiplied by a fraction equal to:

12

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822101
Footnote Exhibits - Page 4280

(a) the number of days in the first Fixed Rate Payer Calculation Period; over

(b) the number of days in the first Reference Obligation Calculation Period.

Interest Shortfall Reimbursement: With respect to any Reference Obligation Payment Date, the payment by or on behalf of the Issuer of an Actual Interest Amount in respect of the Reference Obligation (including, for the avoidance of doubt, any payment of principal representing capitalized interest) that is greater than the Expected Interest Amount.

Interest Shortfall Reimbursement Amount: With respect to any Reference Obligation Payment Date, the product of (a) the amount of any Interest Shortfall Reimbursement on such day and (b) the Applicable Percentage.

Interest Shortfall Reimbursement Payment Amount: If Interest Shortfall Cap is not applicable, the relevant Interest Shortfall Reimbursement Amount. If Interest Shortfall Cap is applicable, the amount determined pursuant to Annex A attached hereto.

5. Consequences of Step-up of the Reference Obligation Coupon

Step-up provisions: The Step-up provisions shall apply only in respect of those Component Transactions, if any, for which the Step-up provisions are specified as being applicable on Annex C attached hereto.

If the Step-up provisions are applicable, then the following provisions of this paragraph 5 shall apply.

Step-up: On any day, an increase in the Reference Obligation Coupon due to the failure of the Issuer or a third party to redeem, cancel or terminate the Reference Obligation, as the case may be, in accordance with the Underlying Instruments.

Non-Call Notification Date: The date of delivery by the Calculation Agent to the parties or by Buyer to Seller of a Non-Call Notice.
Non-Call Notice: A notice given by the Calculation Agent to the parties or by Buyer to Seller that the Reference Obligation has not been purchased, redeemed, cancelled or terminated by the issuer or a third party, in accordance with the Underlying Instruments, pursuant to a “clean-up call” or other right to purchase, redeem, cancel or terminate (however described in the Underlying Instruments) the Reference Obligation, which failure will result in the occurrence of a Step-up.

Increase of the Fixed Rate: Subject to “Optional Step-up Early Termination” below, upon the occurrence of a Step-up, the Fixed Rate will be increased by the number of basis points by which the Reference Obligation Coupon is increased due to the Step-up, such increase to take effect as of the Fixed Rate Payment Date immediately following the Fifth Business Day after the Non-Call Notification Date.

Optional Step-up Early Termination: No later than five Business Days after the Non-Call Notification Date, Buyer shall notify Seller (such notification, a “Buyer Step-up Notice”) whether Buyer wishes to continue each affected Component Transaction at the increased Fixed Rate or to terminate such Component Transaction.

If Buyer elects to terminate a Component Transaction pursuant to the above, the date of delivery of the Buyer Step-up Notice shall be the Scheduled Termination Date (such date, the “Optional Step-up Early Termination Date”) and in such case “Increase of the Fixed Rate” in this paragraph 3 shall not apply.

No amount shall be payable by either party in respect of the Optional Step-up Early Termination Date other than any Fixed Amount, Additional Fixed Amount, Floating Amount or Physical Settlement Amount due in respect of such date. For the avoidance of doubt, the obligation of a party to pay any amount that has become due and payable under a Component Transaction and remains unpaid at the Optional Step-up Early Termination Date shall not be affected by the occurrence of the Optional Step-up Early Termination Date.
If Buyer fails to deliver the Buyer Step-up Notice by the fifth Business Day after the Non-Call Notification Date, Buyer shall be deemed to have elected to continue each affected Component Transaction at the increased Fixed Rate as described under “Increase of the Fixed Rate”.

If Buyer elects, or is deemed to have elected, to continue a Component Transaction at the increased Fixed Rate, such Component Transaction shall continue.

6. Settlement Terms

Settlement Method: Physical Settlement

Terms Relating to Physical Settlement:

Physical Settlement Period: Five Business Days

Deliverable Obligations: Exclude Accrued Interest

Deliverable Obligations: Deliverable Obligation Category: Reference Obligation Only

Physical Settlement Amount: An amount equal to:

(a) the product of the Exercise Amount and the Reference Price, minus

(b) the sum of:

(i) if the Aggregate Implied Writedown Amount is greater than zero, the product of (A) the Aggregate Implied Writedown Amount, (B) the Applicable Percentage, each as determined immediately prior to the relevant Delivery and (C) the Exercise Percentage; and

(ii) the product of (A) the aggregate of all Writedown Amounts in respect of Writedowns within paragraph (B) of the definition of “Writedown”, minus the aggregate of all Writedown Reimbursement Amounts in respect of

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822104
Footnote Exhibits - Page 4283

Written down Reimbursements within paragraph (a)(i) of the definition of “Written down Reimbursements” and (B) the Exercise Percentage;

provided that if the Physical Settlement Amount would exceed the product of:

(1) the Reference Obligation Notional Amount as of the date on which the relevant Notice of Physical Settlement is delivered calculated as though Physical Settlement in respect of all previously delivered Notices of Physical Settlement has occurred in full; and

(2) the Exercise Percentage;

then the Physical Settlement Amount shall be deemed to be equal to such product.

Delayed Payment:

With respect to a Delivery Date, if a Servicer Report that describes a Delayed Payment is delivered to holders of the Reference Obligation or to the Calculation Agent on or after such Delivery Date, Buyer will pay the applicable Delayed Payment Amount to Seller no later than five Business Days following such Delayed Payment.

Escrow:

Applicable

Non-delivery by Buyer:

If Buyer has delivered a Notice of Physical Settlement and

(a) Buyer does not Deliver in full the Deliverable Obligations specified in that Notice of Physical Settlement on or prior to the Physical Settlement Date, or

(b) the Effective Maturity Date occurs after delivery of the Notice of Physical Settlement but before Buyer Delivers the Deliverable Obligations specified in that Notice of Physical Settlement,

then such Notice of Physical Settlement shall be deemed not to have been delivered and any reference in this Confirmation to a previously delivered Notice of Physical Settlement shall exclude any Notice of Physical Settlement that is deemed not to have been

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822105
delivered. Sections 9.2(c)(ii) (except for the first sentence thereof), 9.3, 9.4, 9.5, 9.6, 9.9 and 9.10 of the Credit Derivatives Definitions shall not apply.

7. Additional Provisions:

(a) Delivery of Servicer Report

If either party makes a reasonable request in writing, the Calculation Agent agrees to provide such party with a copy of the most recent Servicer Report promptly following receipt of such request, if and to the extent such Servicer Report is reasonably available to the Calculation Agent (whether or not the Calculation Agent is a holder of the Reference Obligation). In addition, if a Floating Payment or an Additional Fixed Payment is due hereunder, then the Calculation Agent or the party that notifies the other party that the relevant Floating Payment or Additional Fixed Payment is due, as applicable, the "Notifying Party") shall deliver a copy of any Servicer Report relevant to such payment that is requested by the party that is not the Notifying Party or by either party where the Notifying Party is the Calculation Agent, if and to the extent that such Servicer Report is reasonably available to the Notifying Party (whether or not the Notifying Party is a holder of the Reference Obligation).

(b) Calculation Agent and Buyer and Seller Determinations

The Calculation Agent shall be responsible for determining and calculating (i) the Fixed Amount payable on each Fixed Rate Payment Date, (ii) the occurrence of a Floating Amount Event and the related Floating Amount and (iii) the occurrence of an Additional Fixed Payment Event and the related Additional Fixed Amount; provided that notwithstanding the above, each of Buyer and Seller shall be entitled to determine and calculate the above amounts to the extent that Buyer or Seller, as applicable, has the right to deliver a notice to the other party demanding payment of such amount. The Calculation Agent or Buyer or Seller, as applicable, shall make such determinations and calculations based solely on the basis of the Servicer Reports, to the extent such Servicer Reports are reasonably available to the Calculation Agent or such party. The Calculation Agent or Buyer or Seller, as applicable, shall, as soon as practicable after making any of the determinations or calculations specified in (i) and (ii) above, notify the parties or the other party, as applicable, of such determinations and calculations.

(c) Adjustment of Calculation Agent Determinations

To the extent that a Servicer furnishes any Servicer Reports correcting information contained in previously issued Servicer Reports, and such corrections impact calculations pursuant to any Component Transaction, the calculations relevant to such Component Transaction shall be adjusted retroactively by the Calculation Agent to reflect the corrected information (provided that, for the avoidance of doubt, no amounts in respect of interest shall be payable by either party and provided that the Calculation Agent in performing the calculations pursuant to this paragraph will assume that no interest has accrued on any adjusted amount), and the Calculation Agent shall promptly

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822106
notify both parties of any corrected payments required by either party. Any required corrected payments shall be made within five Business Days of the day on which such notification by the Calculation Agent is effective.

(d) **Collateral**

On the Effective Date, Counterparty shall deposit Collateral Securities and Eligible Investments with a face value equal to $800,000,000 on the Effective Date to the Collateral Account. Counterparty hereby agrees to maintain any principal proceeds received with respect to the Collateral in the Collateral Account unless another disposition is otherwise authorized hereunder or under the Indenture.

The Counterparty agrees to pledge the Collateral (and the principal proceeds therefrom) deposited from time to time in the Collateral Account and its rights under the Senior Swap and the Collateral Put Agreement to GSI as security for its obligations under the Transaction and grants to GSI a first priority security interest in and lien on all Collateral (and the principal proceeds therefrom) in the Collateral Account in accordance with the Indenture. If at any time an Event of Default or Termination Event with respect to Counterparty has occurred and is continuing, GSI shall have all rights and remedies available to a secured party under applicable law with respect to the Collateral, including, without limitation, the right to direct the liquidation of Collateral and apply the proceeds from such liquidation to any amounts payable by Counterparty in respect of the Component Transactions hereunder.

Notwithstanding anything to the contrary in this Confirmation, GSI acknowledges and agrees that in accordance with the terms of the Indenture, Counterparty’s obligations (other than any obligation of Counterparty to pay to GSI any Defaulted Swap Termination Payments) under each Component Transaction will be satisfied by the assets deposited to the Collateral Account. Amounts owing to the GSI will be due and payable in accordance with the terms of this Transaction and will be drawn (i) from the Collateral Account in accordance with the Collateral Liquidation Procedure, and with the benefit of Counterparty’s rights under the Collateral Put Agreement, where applicable, and (ii) once the balance of the Collateral Account has been reduced to zero, by demanding payment under the Senior Swap in an amount equal to the lesser of Counterparty’s obligations due and the Senior Swap Notional Amount. Counterparty’s obligation to pay GSI any Defaulted Swap Termination Payment will not be paid in accordance with the foregoing, but instead will be satisfied only by Proceeds available therefor in accordance with the Priority of Payments. If the Collateral Assets and Counterparty’s rights under the Senior Swap are insufficient to satisfy Counterparty’s obligations in respect of any Component Transaction hereunder, any such residual obligations of Counterparty shall be extinguished and of no further force or effect.

(e) **Additional Tax Representations**

The parties hereto confirm that this Transaction is not intended to be and does not constitute a contract of surety, insurance, guarantee or indemnity. The parties acknowledge that the payments to be made by the Counterparty will be made
independently and are not conditional upon GSI sustaining or being exposed to risk or loss and that the rights and obligations of the parties hereunder are not dependent upon GSI owning or having (and do not effectively require GSI to have) any legal, equitable or other interest in the Reference Obligations.

It is the intention of the parties that this Transaction be characterized as a notional principal contract (and not a surety bond, guarantee, insurance or similar contract) for all legal, regulatory and tax purposes. The terms of this Transaction shall be interpreted to further this intention of the parties. Further, each of the parties shall treat this Transaction accordingly for all legal, regulatory and tax reporting purposes and each party waives any right to assert any claim or defense that is inconsistent with this intention of the parties.

(f) Additional Termination Events

Subclause (ii) of Part 1(a) of the Schedule to the Master Agreement shall be replaced with the following: "With respect to any Event of Default or Termination Event under the terms of this Transaction where GSI is the Defaulting or Affected Party, the Market Quotation and First Method shall apply, otherwise, the Second Method will apply.

(g) Failure to Pay

Section 5(a)(i) of the Master Agreement shall be replaced by the following:

"(a) Failure to Pay or Deliver. Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(c) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party; provided however, that any such failure by the Counterparty to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(c) required to be made by it shall not constitute an Event of Default under this Section 5(1)(i) if such failure is a result of the Senior Swap Counterparty's failure to pay to the Counterparty any amount due under the Senior Swap."

8. Notice and Account Details:

   Telephone, Telex and/or Facsimile Numbers and Contact Details for Notices:

   Goldman Sachs International
   Attention: Credit Derivatives Middle Office London
   Tel: 1 212 357 0167
   Fax: 1 212 428 9189

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822108
9. Additional Definitions and Amendments to the Credit Derivatives Definitions

(a) References in Sections 4.1, 8.2, 9.1 and 9.2(a) of the Credit Derivatives Definitions as well as Section 3(a)(v) of the form of Novation Agreement set forth in Exhibit E to the Credit Derivatives Definitions to the Reference Entity shall be deemed to be references to both the Reference Entity and the Insurer in respect of the Reference Policy, if applicable.

(b) The definition of “Publicly Available Information” in Section 3.5 of the Credit Derivatives Definitions shall be amended by (i) inserting the words “the Insurer in respect of the Reference Policy, if applicable” at the end of subparagraph (a)(i)(A) thereof, (ii) inserting the words “servicer, sub-servicer, master servicer” before the words “or paying agent” in subparagraph (a)(i)(B) thereof and (iii) deleting the word “or” at the end of subparagraph (a)(iii) thereof and inserting at the end of subparagraph (a)(iv) thereof the following: “or (v) is information contained in a notice or on a website published by an internationally recognized rating agency that has at any time rated the Reference Obligation”.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822109
Footnote Exhibits - Page 4288

(ii) The definition of "Physical Settlement" in Section 8.1 of the Credit Derivatives Definitions shall be amended by (i) deleting the words "Physical Settlement Amount" from the last line of the second paragraph thereof and (ii) inserting in lieu thereof the words "Exercise Amount".

(ii) The definition of "Physical Settlement Date" in Section 8.4 of the Credit Derivatives Definitions shall be amended by deleting the last sentence thereof.

(c) For the purposes of each Component Transaction only, the following terms have the meanings given below:

"Actual Principal Amount" means, with respect to the Final Amortization Date or the Legal Final Maturity Date, payment on such day by or on behalf of the Issuer of an amount in respect of principal (excluding any capitalized interest) to the holder(s) of the Reference Obligation in respect of the Reference Obligation.

"Aggregate Implied Writedown Amount" means the greater of (i) zero and (ii) the aggregate of all Implied Writedown Amounts minus the aggregate of all Implied Writedown Reimbursement Amounts.

"Approved Dealer": Any of the Persons set forth below or their affiliates set forth below (including the successor to any such Person):

ABN AMRO Bank N.V.;
Bank of America Securities LLC;
Barclays Bank PLC;
Bear, Stearns & Co. Inc.;
BNP Paribas;
Canadian Imperial Bank of Commerce;
Citigroup, Inc.;
Commerzbank AG;
Countrywide Securities Corporation;
Credit Suisse Group;
Deutsche Bank AG;
Dresdner Bank AG;
First Tennessee Bank National Association;
Goldman, Sachs & Co.
Greenwich Capital Markets, Inc.;
HSBC Bank plc;

Confidential Treatment Requested by Goldman Sachs GS MBS-E-021822110
Footnote Exhibits - Page 4289

JP Morgan Chase & Co.;
Legg Mason, Inc.;
Lehman Brothers, Inc.;
Merrill Lynch & Co., Inc.;
Morgan Stanley & Co., Inc.;
Nomura Securities Co., Ltd.;
Raymond James Financial, Inc.;
Société Générale Group;
TD Bank Financial Group;
UBS AG;
United Capital Markets Inc.;
Wachovia Securities, LLC;
Washington Mutual, Inc.; or
WestLB AG.

"Collateral Account" has the meaning set forth in the Indenture.
"Collateral Liquidation Procedure" has the meaning set forth in the Indenture.
"Collateral Put Agreement" means the put agreement entered into by Counterparty and Goldman Sachs International on or prior to the Effective Date.
"Collateral Securities" has the meaning set forth in the Indenture.
"Collateral Securities Eligibility Criteria" has the meaning set forth in the Indenture.
"Current Factor" means the factor of the Reference Obligation as specified in the most recent Servicer Report; provided that if the Current Factor is not specified in the most recent Servicer Report, the Current Factor shall be the ratio equal to (i) the Outstanding Principal Amount as of such date, determined in accordance with the Servicer Report over (ii) the Original Principal Amount.

"Current Market Price" means, at any time of determination, with respect to a Reference Obligation, a percentage price determined by the Calculation Agent and confirmed by the Collateral Administrator by (x) using the pricing service used by the Collateral Administrator in its normal course of business for so long as the quote obtained from such pricing service has been provided by such pricing service within two Business Days of the time of such determination or (y) (1) if either (a) above is not applicable, asking five Approved Dealers to quote the offered-side price (excluding accrued interest) for such Reference Obligation (in an amount equal to its Reference Obligation Notional Amount) and (2) for so long as the Collateral Administrator is able to obtain one such quote from one such Approved Dealer, taking the arithmetic average of such quotation(s).
“Current Period Implied Write-Down Amount” means, in respect of a Reference Obligation Calculation Period, an amount determined as if the last day of such Reference Obligation Calculation Period were the last day of:

(i) zero; and

(ii) the product of:

(A) the Implied Write-Down Percentage; and

(B) the greater of:

(1) zero; and

(2) the pari passu amount plus the Senior Amount minus the aggregate outstanding asset pool balance securing the payment obligations on the Reference Obligation (all such outstanding asset pool balances as obtained by the Calculation Agent from the most recently dated Servicer Report available as of such day), calculated based on the face amount of the assets in such pool, whether or not any such asset is performing.

“Delayed Payment” means, with respect to a Delivery Date, a Principal Payment, Principal Shortfall Reimbursement or a Write-Down Reimbursement within paragraph (i) of the definition of “Write-Down Reimbursement” that is described in a Servicer Report delivered to holders of the Reference Obligation or to the Calculation Agent on or after such Delivery Date.

“Delayed Payment Amount” means, if persons who are holders of the Reference Obligation as of a date prior to a Delivery Date are paid a Delayed Payment on or after such Delivery Date, and amount equal to the product of (i) the sum of all such Delayed Payments, (ii) the Reference Price, (iii) the Applicable Percentage immediately prior to such Delivery Date and (iv) the Exercise Percentage.

“Distressed Ratings Downgrade” means that the Reference Obligation:

(i) if publicly rated by Moody’s, (A) is downgraded to "Ca1" or below by Moody’s or (B) has the rating assigned to it by Moody’s withdrawn and, in either case, not reinstated within five Business Days of such downgrade or withdrawal; provided that if such Reference Obligation was assigned a public rating of "Ba1" or higher by Moody’s immediately prior to the occurrence of such withdrawal, it shall not constitute a Distressed Ratings Downgrade if such Reference Obligation is assigned a public rating of at least "Ca1" by Moody’s within three calendar months of such withdrawal; or

(ii) if publicly rated by Standard & Poor’s, (A) is downgraded to "CCC" or below by Standard & Poor’s or (B) has the rating assigned to it by Standard & Poor’s withdrawn and, in either case, not reinstated within five Business Days of such downgrade or withdrawal, provided that if such
Reference Obligation was assigned a public rating of "BBB-" or higher by Standard & Poor's immediately prior to the occurrence of such withdrawal; it shall not constitute a Distressed Ratings Downgrade if such Reference Obligation is assigned a public rating of at least "CCC+" by Standard & Poor's within three calendar months of such withdrawal; or

(iii) if publicly rated by Fitch, (A) is downgraded to "CCC" or below by Fitch or (B) has the rating assigned to it by Fitch withdrawn and, in either case, not reinstated within five Business Days of such downgrade or withdrawal; provided that if such Reference Obligation was assigned a public rating of "BBB-" or higher by Fitch immediately prior to the occurrence of such withdrawal, it shall not constitute a Distressed Ratings Downgrade if such Reference Obligation is assigned a public rating of at least "CCC+" by Fitch within three calendar months of such withdrawal.

"Effective Maturity Date" means the earlier of (a) the Scheduled Termination Date and (b) the Final Amortization Date.

"Eligible Investments" has the meaning set forth in the Indenture.

"Exercise Amount" means, for purposes of a Component Transaction, an amount to which a Notice of Physical Settlement applies equal to the product of (i) the original face amount of the Reference Obligation to be Delivered by Buyer to Seller on the Physical Settlement Date; and (ii) the Current Factor. The Exercise Amount to which a Notice of Physical Settlement relates shall (A) be equal to or less than the Reference Obligation Notional Amount (determined, for this purpose, without regard to the effect of any Writedown or Writedown Reimbursement within paragraphs (i)(B) or (ii)(B) of "Writedown" or paragraphs (i)(B) or (iii) of "Writedown Reimbursement", respectively) as of the date on which the relevant Notice of Physical Settlement is delivered calculated as though the Physical Settlement of all previously delivered Notices of Physical Settlement has occurred in full and (B) not be less than the lesser of (1) the Reference Obligation Notional Amount as of the date on which the relevant Notice of Physical Settlement is delivered calculated as though Physical Settlement in respect of all previously delivered Notices of Physical Settlement has occurred in full and (2) USD100,000. The cumulative original face amount of Deliverable Obligations specified in all Notices of Physical Settlement shall not at any time exceed the Initial Face Amount.

"Exercise Percentage" means, with respect to a Notice of Physical Settlement, a percentage equal to the original face amount of the Deliverable Obligations specified in such Notice of Physical Settlement divided by an amount equal to (i) the Initial Face Amount minus (ii) the aggregate of the original face amount of all Deliverable Obligations specified in all previously delivered Notices of Physical Settlement.

"Expected Principal Amount" means, with respect to the Final Amortization Date or the Legal Final Maturity Date, an amount equal to (i) the Outstanding Principal Amount of the Reference Obligation payable on such day assuming for this purpose that sufficient funds are available for such payment, where such amount shall be determined in accordance with the Underlying Instruments, minus (ii) the sum of (A) the Aggregate Implied Writedown Amount (if any) and
(B) the net aggregate principal deficiency balance or realized loss amounts (however described in the Underlying Instruments) that are attributable to the Reference Obligation. The Expected Principal Amount shall be determined without regard to the effect of any limited recourse provisions (however described) of the Underlying Instruments that permit the limitation of due payments or distributions of funds in accordance with the terms of such Reference Obligation or that provide for the extinguishing or reduction of such payments or distributions.

"Failure to Pay Principal" means (i) a failure by the Reference Entity (or any Insurer) to pay an Expected Principal Amount on the Final Amortization Date or the Legal Final Maturity Date, as the case may be or (ii) payment on any such day of an Actual Principal Amount that is less than the Expected Principal Amount, provided that the failure by the Reference Entity (or any Insurer) to pay any such amount in respect of principal in accordance with the foregoing shall not constitute a Failure to Pay Principal if such failure has been remedied within any grace period applicable to such payment obligation under the Underlying Instruments or, if no such grace period is applicable, within three Business Days after the day on which the Expected Principal Amount was scheduled to be paid.

"Final Amortization Date" means the first to occur of (i) the date on which the Reference Obligation Notional Amount is reduced to zero and (ii) the date on which the assets securing the Reference Obligation or designated to fund amounts due in respect of the Reference Obligation are liquidated, distributed or otherwise disposed of in full and the proceeds thereof are distributed or otherwise disposed of in full.

"Fitch" means Fitch Ratings or any successor to the rating business thereof.

"Implied Writedown Amount" means, (i) if the Underlying Instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in (i) of the definition of "Writedown" to occur in respect of the Reference Obligation, on any Reference Obligation Payment Date, an amount determined by the Calculation Agent equal to the excess, if any, of the Current Period Implied Writedown Amount over the Previous Period Implied Writedown Amount, in each case in respect of the Reference Obligation Calculation Period to which such Reference Obligation Payment Date relates, and (ii) in any other case, zero.

"Implied Writedown Percentage" means (i) the Outstanding Principal Amount divided by (ii) the Par Paus Amount.

"Implied Writedown Reimbursement Amount" means, (i) if the Underlying Instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in (i) of the definition of "Writedown" to occur in respect of the Reference Obligation, on any Reference Obligation Payment Date, an amount determined by the Calculation Agent equal to the excess, if any, of the Previous Period Implied Writedown Amount over the Current Period Implied Writedown Amount, in each case in respect of the Reference Obligation Calculation Period to which such Reference Obligation Payment Date relates, and (ii) in any other case, zero.

"Legal Final Maturity Date" means the legal final maturity date for the relevant Reference Obligation set forth in Annex C attached hereto (subject, for the avoidance of doubt, to any business day convention applicable to the legal final maturity date of the Reference Obligation),
provided that if the legal final maturity date of the Reference Obligation is amended, the Legal Final Maturity Date shall be such date as amended.

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating business thereof.

"Outstanding Principal Amount" means, as of any date of determination with respect to the Reference Obligation, the outstanding principal balance of the Reference Obligation as of such date, which shall take into account:

(iv) all payments of principal;

(v) all writedowns or applied losses (however described in the Underlying Instruments) resulting in a reduction in the outstanding principal balance of the Reference Obligation (other than as a result of a scheduled or unscheduled payment of principal);

(vi) forgiveness of any amount by the holders of the Reference Obligation pursuant to an amendment to the Underlying Instruments resulting in a reduction in the outstanding principal balance of the Reference Obligation;

(vii) any payments reducing the amount of any reductions described in (i) and (ii) of this definition; and

(viii) any increase in the outstanding principal balance of the Reference Obligation that reflects a reversal of any prior reductions described in (i) and (ii) of this definition.

"Pari Passu Amount" means, as of any date of determination, the aggregate of the Outstanding Principal Amount of the Reference Obligation and the aggregate outstanding principal balance of all obligations of the Reference Entity secured by the Underlying Assets and ranking pari passu in priority with the Reference Obligation.

"Previous Period Implied Writedown Amount" means, in respect of a Reference Obligation Calculation Period, the Current Period Implied Writedown Amount as determined in relation to the last day of the immediately preceding Reference Obligation Calculation Period.

"Principal Payment" means, with respect to any Reference Obligation Payment Date, the occurrence of a payment of an amount to the holders of the Reference Obligation in respect of principal (scheduled or unscheduled) in respect of the Reference Obligation other than a payment in respect of principal representing capitalized interest, excluding, for the avoidance of doubt, any Writedown Reimbursement or Interest Shortfall Reimbursement.

"Principal Payment Amount" means, with respect to any Reference Obligation Payment Date, an amount equal to the product of (i) the amount of any Principal Payment on such date and (ii) the Applicable Percentage.
"Principal Shortfall Amount" means, in respect of a Failure to Pay Principal, an amount equal to the greater of:

(a) zero; and

(b) the amount equal to the product of:

(A) the Expected Principal Amount minus the Actual Principal Amount;

(B) the Applicable Percentage; and

(C) the Reference Price.

If the Principal Shortfall Amount would be greater than the Reference Obligation Notional Amount immediately prior to the occurrence of such Failure to Pay Principal, then the Principal Shortfall Amount shall be deemed to be equal to the Reference Obligation Notional Amount at such time.

"Principal Shortfall Reimbursement" means, with respect to any day, the payment by or on behalf of the Issuer of an amount in respect of the Reference Obligation in or toward the satisfaction of any deferral of or failure to pay principal arising from one or more prior occurrences of a Failure to Pay Principal.

"Principal Shortfall Reimbursement Amount" means, with respect to any day, the product of (i) the amount of any Principal Shortfall Reimbursement on such day, (ii) the Applicable Percentage and (iii) the Reference Price.

"Principal Shortfall Reimbursement Payment Amount" means, with respect to an Additional Fixed Amount Payment Date, the sum of the Principal Shortfall Reimbursement Amounts in respect of all Principal Shortfall Reimbursements (if any) made during the Reference Obligation Calculation Period relating to such Additional Fixed Amount Payment Date, provided that the aggregate of all Principal Shortfall Reimbursement Payment Amounts at any time shall not exceed the aggregate of all Floating Amounts paid by Seller in respect of occurrences of Failure to Pay Principal prior to such Additional Fixed Amount Payment Date.

"Rating Agencies" means Fitch, Moody's and Standard & Poor's.

"Reference Obligation Amortized Amount" means, with respect to a Reference Obligation and any date of determination, (i) the product of (a) the Original Principal Amount, the Initial Factor and the Applicable Percentage minus (ii) the aggregate of Principal Payment Amounts with respect to such Reference Obligation on or prior to such date of determination.

"Reference Obligation Calculation Period" means, with respect to each Reference Obligation Payment Date, a period corresponding to the interest accrual period relating to such Reference Obligation Payment Date pursuant to the Underlying Instruments.
"Reference Obligation Coupon" means the periodic interest rate applied in relation to each Reference Obligation Calculation Period on the related Reference Obligation Payment Date, as determined in accordance with the terms of the Underlying Instruments as of the Effective Date, without regard to any subsequent amendment.

"Reference Obligation Payment Date" means (i) each scheduled distribution date for the Reference Obligation occurring on or after the Effective Date and on or prior to the Scheduled Termination Date, determined in accordance with the Underlying Instruments and (ii) any day after the Effective Maturity Date on which a payment is made in respect of the Reference Obligation.

"Relevant Amount" means, with respect to any Reference Obligation, if a servicer report that described a Principal Payment, Writedown or Writedown Reimbursement (other than a Writedown Reimbursement within paragraph (i) of "Writedown Reimbursement"), in each case that has the effect of decreasing or increasing the interest-accruing principal balance of such Reference Obligation as of a date prior to a Delivery Date but such servicer report is delivered to holders of such Reference Obligation or to the Calculation Agent on or after such Delivery Date, an amount equal to the product of (i) the sum of any such Principal Payment (expressed as a positive amount), Writedown (expressed as a positive amount) or Writedown Reimbursement (expressed as a negative amount), as applicable; (ii) the Reference Price; (iii) the Applicable Percentage immediately prior to such Delivery Date; and (iv) the Exercise Percentage.

"Senior Amount" means, as of any day, the aggregate outstanding principal balance of all obligations of the Reference Entity secured by the Underlying Assets and ranking senior in priority to the Reference Obligation.

"Senior Swap" means the swap agreement entered into on the Effective Date between Counterparty and Goldman Sachs International with an initial notional amount of $1,200,000,000.

"Senior Swap Notional Amount" has the meaning set forth in the Senior Swap.

"Servicer" means any trustee, servicer, sub servicer, master servicer, fiscal agent, paying agent or other similar entity responsible for calculating payment amounts or providing reports pursuant to the Underlying Instruments.

"Servicer Reports" means periodic statements or reports regarding the Reference Obligation provided by the Servicer to holders of the Reference Obligation.

"Standard & Poor's" means Standard & Poor's Rating Services, a division of McGraw-Hill Companies, Inc. or any successor to the rating business thereof.

"Underlying Assets" means the assets securing the Reference Obligation for the benefit of the holders of the Reference Obligation and which are expected to generate the cashflows required for the servicing and repayment (in whole or in part) of the Reference Obligation, or the assets to which a holder of such Reference Obligation is economically exposed where such exposure is created synthetically.
"Underlying Instruments" means the indenture, trust agreement, pooling and servicing agreement or other relevant agreement(s) setting forth the terms of the Reference Obligation.

"Writedown" means the occurrence at any time on or after the Effective Date of:

(i) (A) a writedown or applied loss (however described in the Underlying Instruments) resulting in a reduction in the Outstanding Principal Amount (other than as a result of a scheduled or unscheduled payment of principal), or

(B) the attribution of a principal deficiency or realized loss (however described in the Underlying Instruments) to the Reference Obligation resulting in a reduction of the current interest payable on the Reference Obligation;

(ii) the forgiveness of any amount of principal by the holders of the Reference Obligation pursuant to an amendment to the Underlying Instruments resulting in a reduction in the Outstanding Principal Amount; or

(iii) if the Underlying Instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in (i) above to occur in respect of the Reference Obligation, an Implied Writedown Amount being determined in respect of the Reference Obligation by the Calculation Agent, as applicable.

"Writedown Amount" means, with respect to any day, the product of (i) the amount of any Writedown on such day, (ii) the Applicable Percentage and (iii) the Reference Price.

"Writedown Reimbursement" means, with respect to any day, the occurrence of either:

(i) a payment by or on behalf of the Issuer of an amount in respect of the Reference Obligation in reduction of any prior Writedowns;

(ii) (A) an increase by or on behalf of the Issuer of the Outstanding Principal Amount of the Reference Obligation to reflect the reversal of any prior Writedowns; or

(B) a decrease in the principal deficiency balance or realized loss amounts (however described in the Underlying Instruments) attributable to the Reference Obligation; or

(iii) if the Underlying Instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in (i) above to occur in respect of the Reference Obligation, an Implied Writedown Reimbursement Amount being determined in respect of the Reference Obligation by the Calculation Agent.
"Writedown Reimbursement Amount" means, with respect to any day, an amount equal to the product of:

(i) the sum of all Writedown Reimbursements on that day;
(ii) the Applicable Percentage; and
(iii) the Reference Price.

"Writedown Reimbursement Payment Amount" means, with respect to an Additional Fixed Amount Payment Date, the sum of the Writedown Reimbursements Amounts in respect of all Writedown Reimbursements (if any) made during the Reference Obligation Calculation Period relating to such Additional Fixed Amount Payment Date, provided that the aggregate of all Writedown Reimbursement Payment Amounts at any time shall not exceed the aggregate of all Floating Amounts paid by Seller in respect of Writedowns occurring prior to such Additional Fixed Amount Payment Date.

Counterparty hereby agrees (a) to check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing correctly sets forth the terms of the agreement between GSI and Counterparty with respect to the Component Transactions to which this Confirmation relates, by manually signing this Confirmation and providing the other information requested herein and immediately returning an executed copy to Swap Administration, Facsimile No.: 1 212 428 9189.

[Remainder of Page Intentionally Left Blank]
Goldman Sachs International is authorized and regulated by the Financial Services Authority and has entered into this transaction as principal. The time at which the above transaction was entered will be notified to Counterparty in writing.

Yours sincerely,

GOLDMAN SACKS INTERNATIONAL

[Signature]

Approved and Accepted by:

MIZUHO MEZZANINE FUNDING 2006-I, LTD.

[Signature]

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822120
Goldman Sachs International is authorized and regulated by The Financial Services Authority and has entered into this transaction as principal. The time at which the above transaction was executed will be notified to Counterparty on request.

Yours sincerely,

GOLDMAN SACHS INTERNATIONAL

By:

Name: __________________________
Title: __________________________

Agreed and Accepted by:

HUDSON MEZZANINE FUNDING 2006-1, LTD.

By: __________________________
Name: Carrie Buntun
Title: Director

Confirmation for BMS in Credit Default Swap

Confidential Treatment Requested by Goldman Sachs
GS MSS-E-021822121
Annex A

If Interest Shortfall Cap is applicable, then the following provisions will apply:

**Interest Shortfall Cap Basis:** Fixed Cap

**Interest Shortfall Cap Amount:**

- **Reimbursement Payment Amount:**
  - **If Interest Shortfall Cap is applicable, then with respect to the first Additional Fixed Amount Payment Date, zero, and with respect to any subsequent Additional Fixed Amount Payment Date and calculated as of the Reference Obligation Payment Date immediately preceding such Additional Fixed Amount Payment Date, as specified by the Calculation Agent in its notice to the parties or by Seller in its notice to Buyer of the existence of an Interest Shortfall Reimbursement, an amount equal to the greater**

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-021822122
Footnote Exhibits - Page 4301

of:

(a) zero; and

(b) the amount equal to:

(i) the product of:

(A) the Cumulative Interest Shortfall Payment Amount as of the Additional Fixed Amount Payment Date immediately preceding such Reference Obligation Payment Date; and

(B) the relevant Cumulative Interest Shortfall Payment Compounding Factor for the Fixed Rate Payer Calculation Period immediately preceding such Additional Fixed Amount Payment Date (or 1.0 in respect of any Additional Fixed Amount Payment Date occurring after the final Fixed Rate Payer Payment Date);

minus

(ii) the Cumulative Interest Shortfall Amount as of such Reference Obligation Payment Date,

provided that if the Interest Shortfall Reimbursement Payment Amount on an Additional Fixed Amount Payment Date would exceed the Interest Shortfall Reimbursement Amount in respect of the related Reference Obligation Payment Date, then such Interest Shortfall Reimbursement Payment Amount shall be deemed to be equal to such Interest Shortfall Reimbursement Amount.

Cumulative Interest Shortfall Amount:

With respect to any Reference Obligation Payment Date, an amount equal to the greater of:

(a) zero; and

(b) an amount equal to:

(i) the Cumulative Interest Shortfall Amount as of the Reference Obligation Payment Date

Annex A-2

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822123
Footnote Exhibits - Page 4302

immediately preceding such Reference Obligation Payment Date or, in the case of the first Reference Obligation Payment Date, zero; plus

(ii) the Interest Shortfall Amount (if any) in respect of such Reference Obligation Payment Date; plus

(iii) an amount determined by the Calculation Agent as the amount of interest that would accrue on the Cumulative Interest Shortfall Amount immediately preceding such Reference Obligation Payment Date during the related Reference Obligation Calculation Period pursuant to the Underlying Instruments or, in the case of the first Reference Obligation Payment Date, zero; minus

(iv) the Interest Shortfall Reimbursement Amount (if any) in respect of such Reference Obligation Payment Date.

Upon the occurrence of each Delivery, the Cumulative Interest Shortfall Amount shall be multiplied by a fraction equal to (a) the Applicable Percentage immediately following such Delivery divided by (b) the Applicable Percentage immediately prior to such Delivery; provided, however, that if more than one Delivery is made during a Reference Obligation Calculation Period, the Cumulative Interest Shortfall Amount calculated as of the Reference Obligation Payment Date occurring immediately after such Reference Obligation Calculation Period shall be multiplied by a fraction equal to (a) the Applicable Percentage immediately following the final Delivery made during such Reference Obligation Calculation Period and (b) the Applicable Percentage immediately prior to the first Delivery made during such Reference Obligation Calculation Period.

Cumulative Interest Shortfall Payment Amount:

The Cumulative Interest Shortfall Payment Amount with respect to any Fixed Rate Payer Payment Date and any Additional Fixed Amount Payment Date falling on such Fixed Rate Payer Payment Date shall be an amount equal to the greater of:

Annex A-3

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822124
Footnote Exhibits - Page 4303

(a) zero; and

(b) the amount equal to:

(i) the sum of:

(A) the Interest Shortfall Payment Amount for the Reference Obligation Payment Date corresponding to such Fixed Rate Payer Payment Date; and

(B) the product of:

(1) the Cumulative Interest Shortfall Payment Amount as of the Fixed Rate Payer Payment Date immediately preceding such Fixed Rate Payer Payment Date (or zero in the case of the first Fixed Rate Payer Payment Date); and

(2) the relevant Cumulative Interest Shortfall Payment Compounding Factor;

minus

(ii) any Interest Shortfall Reimbursement Payment Amount paid on such Fixed Rate Payer Payment Date.

With respect to any Additional Fixed Amount Payment Date falling after the final Fixed Rate Payer Payment Date, the Cumulative Interest Shortfall Payment Amount shall be equal to:

(a) the Cumulative Interest Shortfall Payment Amount as of the Additional Fixed Amount Payment Date immediately preceding such Additional Fixed Amount Payment Date (or as of the final Fixed Rate Payer Payment Date in the case of the first Additional Fixed Amount Payment Date occurring after the final Fixed Rate Payer Payment Date); minus

Annex A-4

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-021822125
(y) any Interest Shortfall Reimbursement Payment Amount paid on such Additional Fixed Amount Payment Date.

Upon the occurrence of each Delivery, the Cumulative Interest Shortfall Payment Amount shall be multiplied by a fraction equal to (a) the Applicable Percentage immediately following such Delivery divided by (b) the Applicable Percentage immediately prior to such Delivery; provided, however, that if more than one Delivery is made during a Reference Obligation Calculation Period, the Cumulative Interest Shortfall Payment Amount calculated as of the Reference Obligation Payment Date occurring immediately after such Reference Obligation Calculation Period shall be multiplied by a fraction equal to (a) the Applicable Percentage immediately following the final Delivery made during such Reference Obligation Calculation Period and (b) the Applicable Percentage immediately prior to the first Delivery made during such Reference Obligation Calculation Period.

<table>
<thead>
<tr>
<th>Cumulative Interest Shortfall Payment Compounding Factor:</th>
<th>With respect to any Fixed Rate Payer Calculation Period, an amount equal to the sum of:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) 1.0;</td>
</tr>
<tr>
<td></td>
<td>plus</td>
</tr>
<tr>
<td></td>
<td>(b) the product of:</td>
</tr>
<tr>
<td></td>
<td>(i) the sum of (A) the Relevant Rate plus (B) the Fixed Rate; and</td>
</tr>
<tr>
<td></td>
<td>(ii) the actual number of days in such Fixed Rate Payer Calculation Period divided by 360;</td>
</tr>
<tr>
<td></td>
<td>provided, however, that the Cumulative Interest Shortfall Payment Compounding Factor shall be deemed to be 1.0 during the period from but excluding the Effective Maturity Date to and including the Termination Date.</td>
</tr>
</tbody>
</table>

Relevant Rate: With respect to a Fixed Rate Payer Calculation Period, the Floating Rate, expressed as a decimal number with seven decimal places, that would be determined if:

Annex A-5

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822126
(a) the 2000 ISDA Definitions (and not the 2003 ISDA Credit Derivatives Definitions) applied to this paragraph;

(b) the Fixed Rate Payer Calculation Period were a "Calculation Period" for purposes of such determination; and

(c) the following terms applied:
   (i) the Floating Rate Option were the Rate Source;
   (ii) the Designated Maturity were the period that corresponds to the usual length of a Fixed Rate Payer Calculation Period; and
   (iii) the Reset Date were the first day of the Calculation Period;

provided, however, that the Relevant Rate shall be deemed to be zero during the period from but excluding the Effective Maturity Date to and including the Termination Date.

Rate Source: USD-LIBOR-BBA

Annex A-6

Confidential Treatment Requested by Goldman Sachs
Annex B – Additional Provisions

1. Credit Support Documents:
   (a) Standard Guaranty of The Goldman Sachs Group, Inc.
<table>
<thead>
<tr>
<th>Annex C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit Unit</td>
</tr>
<tr>
<td>A001-010</td>
</tr>
</tbody>
</table>

**Footnote Exhibits - Page 4307**
Footnote Exhibits - Page 4315

The Goldman Sachs Group, Inc. | One New York Plaza | New York, New York 10004
Tel: 212-902-4000 | Fax: 212-257-2257

December 5, 2006

Hudson Mezzanine Funding 2006-1, L.P.

do Maple Finance Limited
Quartic House
South Church Street
George Town, Grand Cayman
Cayman Islands

Ladies and Gentlemen:

For value received, The Goldman Sachs Group, Inc. (the "Guarantor"), a corporation duly organized under the laws of the State 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 International, a subsidiary of the Guarantor and an unlimited liability company duly organized under the laws of England (the "Company"), to Hudson Mezzanine Funding 2006-1, L.P. (the "Counterparty") arising out of or under the ISDA Master Agreement between the Company and the Counterparty dated as of December 1, 2006 (the "Obligations"). This Guaranty is one of payment and not of collection.

The Counterparty 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 any action by Counterparty against, and any other notice to, the Company, 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) agree with the Company to make any changes in the terms of the Obligations; (2) take of fall to take any action of any kind in respect of any security for the Obligations; (3) exercise or refrain from exercising any rights against the Company or others in respect of the Obligations; or (4) compromise or subordinate the Obligations, including any security therefor. Any other nonpayment 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 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.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822137
Hudson Mezzanine Funding 2006-1, Ltd.
c/o Maples Finance Limited
December 5, 2006
Page 2

The Guarantor may not assign its rights nor delegate its obligations under this Guaranty, in whole or in part, without prior written consent of the Counterparty, and any purported assignment or delegation absent such consent is void, except for an assignment and delegation of all of the Guarantor's rights and obligations hereunder in whatever form the Guarantor determines may be appropriate to a partnership, corporation, trust or other organization in whatever form that succeeds to all or substantially all of the Guarantor's assets and business and that assumes such obligations by contract, operation of law or otherwise. Upon any such assignment and assumption of obligations, the Guarantor shall be relieved of and fully discharged from all obligations hereunder, whether such obligations arose before or after such delegation and assumption.

THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. GUARANTOR AGREES TO THE EXCLUSIVE JURISDICTION OF COURTS LOCATED IN THE STATE OF NEW YORK, UNITED STATES OF AMERICA, OVER ANY DISPUTES ARISING UNDER OR RELATING TO THIS GUARANTY.

Very truly yours,

THE GOLDMAN SACHS GROUP, INC.

By: ____________________________

[Signature]

[Position]

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021822138
Poor client angst

----- Original Message ----- 
From: Ostem, Peter L
To: Speirs, Daniel L
Cc: Rosenblum, David J.
Sent: Mon Oct 16 16:06:38 2006
Subject: Cambridge Place deal

Cambridge is upset that we are delaying their deal. They know that Hudson West (as prop deal) is pushing their deal back. We are calling the PM at Cambridge ( ) and ___ today to discuss their deal and timing. Are you ok if we upsize their deal to 800m from 400m? This allows them to continue ramping and take additional equity placement risk (beyond the 60% of equity going into

ONCA). Deal is in good shape and we have pre-interest in the entire AA class and half the BMs and a third of the super seniors. This will price in Dec. or January.
Date: September 27th, 2006
To: Firmwide Risk Committee
Re: September 27th FRC Minutes

The September 27th Firmwide Risk Committee meeting commenced at 2:30pm. The meeting was chaired by David维 and Jerry Crotigas. Apologies were received from Isabelle Sacks, Ramesh Agar, Mark McDowdick, and Matt Spikes.

Divisional Reports

David Sacks

Rich Bailey

Jim Sacks
  - ABX stable since last week
  - Business processing with synthetic ABX CDOs, Nanol DB also working on synthetic ABX CDOs
  - Early securitization calendar beginning tomorrow (e.g., several CDO deals, etc.)

Dan Elliot

Ed Elliot

Ed Wilson

Confidential Treatment
Requested by Goldman Sachs

GS MBS 0000004474

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2371
Ken Ferris

Jacob Reszewski

Any Other Testimony
Credit Risk management presented the quarterly Credit Risk Profile.

-----------------

Reflected by the Permanent Subcommittee on Investigations

Confidential Treatment
Requested by Goldman Sachs

GS MBS 0000004475
Date: October 4th, 2006
To: Firmwide Risk Committee
Re: October 4th FRC Minutes

The October 4th Firmwide Risk Committee meeting commenced at 7:30am. The meeting was chaired by Jerry Coniglio. Apologies were received from Lloyd Blankfein and David Viniar.

Divisional Reports

The committee discussed the general decrease in Hedge Fund activity and the potential implications.

**Dr. Lee-Block**

- 
- 
- 
- 

**Ed Elmer**

- 
- 
- 
- 

**Jon Sobel**

- Business continuing to work on ABX CDO structure.
- VaR up due to thickness of ABX position and actual volatility is higher than expected.
- Business in discussions with Divisional Risk on possible altering risk limits.
- Securitization calendar reduces over the next 6 weeks.

**Dave Holler**

- 
- 
- 

Confidential Treatment
Requested by Goldman Sachs

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote 2271

GS MBS 0000004476
Date: October 11th, 2006

To: Firmwide Risk Committee
Re: October 11th FRC Minutes

The October 11th Firmwide Risk Committee meeting convened at 7:30am. The meeting was chaired by David Viniar. Apologies were received from Lloyd Blankfein, Jerry Cantor, Dave Heider and Rob Litman.

Divisional Reports

Drew Pan-Dyke

Risk Analysis

Justin Geltrich

Jim Sebel
- Noted business has begun to pick up for various ABX CDO tranches.
- Cash deals will continue to do well over the next month.
- Noted diminished hedge fund activity.
- Business working on large commercial mortgage loan deal that may require increased in risk limits.

Ed Elder

Marty Spillar

Confidential Treatment
Requested by Goldman Sachs

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2371

GS MBS 0000004478
Date: November 1st, 2006
To: Firewide Risk Committee
Re: November 1st FRC Minutes

The November 1st Firewide Risk Committee meeting commenced at 7:30am. The meeting was chaired by Jerry Castigani. Apologies were received from David Visser, Lloyd Blackling, Mark McGillivray, Rob Zednick, and Liz Beisel.

Divisional Reports

Chris Jon-Brook

Ed Elder

Isabelle Elder

Joe Sobel
- ABX CDO priced last week with $1.6BN sold. Risks down from a high of $2.00M/bp to $1.00M/bp.
- Pinned strong calendar over the next weeks as there is a demand for cash products.
- Faced risks to business if CDO market slows or if there is a material repricing of residuals.

Don Mullen

Confidential Treatment
Requested by Goldman Sachs

Goldman Sachs

Report Footnote #2271

--- Redirected by the Permanent Subcommittee on Investigations

Wall Street & The Financial Crisis

Permanent Subcommittee on Investigations
GS MBS 0000004484
From: Jha, Arbind
Sent: Wednesday, October 11, 2006 6:14 AM
To: Binbaum, Josh
Subject: RE: Hudson Mezzanine Funding, 2006-1 Ltd. -- New Issue Announcement (144a/RegS) [external] (T-Mail)

Josh,

Tried calling. Sebel this morning in the firmwide risk committee mentioned that we have circled up the junior and some of the equity tranches.

Would like to get an update on this and have some follow up questions.

Please let me know when is a good time to call.

Thanks,

-----Original Message-----
From: Binbaum, Josh
Sent: Tuesday, October 31, 2006 9:22 AM
To: Jha, Arbind
Subject: FYI: Hudson Mezzanine Funding, 2006-1 Ltd. -- New Issue Announcement (144a/RegS) [external] (T-Mail)

here is the info on the CDO

-----Original Message-----
From: GS Syndicate
Sent: Tuesday, October 31, 2006 7:24 AM
To: "T-Mail Subscribers"
Subject: Hudson Mezzanine Funding, 2006-1 Ltd. -- New Issue Announcement (144a/RegS) [external] (T-Mail)

Hudson Mezzanine Funding, 2006-1 Ltd. -- New Issue Announcement (144a/RegS) (external)
Lead Managers & Sole Bookrunner: Goldman Sachs Liquidation Agent: Goldman, Sachs & Co.
$2.0bn Static Mezzanine Structured Product CDO

Class Size $(bn)  Yield Med/5yr  WAl/y WAC/5yr Init CC Guidance
E  1200  6.24% Aaa/AAA [2.8] N/A N/A
A1 150 7.54% Aaa/AAA [3.0] 133.38 145/130
A2 150 7.54% Aaa/AAA [3.0] 123.28 130/125
B 160 8.04% Aa2/AA+ [3.5] 130.54 130/125
C 100  5.60% A2/A [5.2] 113.66 130/125
D  90  7.54% Baa2/BB+ [5.5] 154.76 130/125
E  30  1.54% Ba1/BB+ [5.5] 103.18 130/125
F  60  2.04% Not Rated N/A N/A **CALL DESK**

TermSheet, Debt Marketing Book & Warehouse Portfolio - Attached

Expected Timing:
Price Guidance & Red - w/o Oct 16
Pricing - w/o Oct 23
GS Structured Products Global Syndicate
Alex: Omar Chaudhary, Jay Lee, & Ricottella Duploka +61 (3) 6497-7198
Europe: Mitch Nestock & Tetsu Ichiyama +61 (0) 3 7714-3069 R. America: Buny Bohra, Scott Wiesenfelder, Scott Walter, Tony Kim & Malcolm Malik +1 (212) 902-7643.
Risk Factors: An investment in the securities presents certain risks, please see the Preliminary Offering Circular for a description of certain risk factors.

Disclaimer:
This material has been prepared specifically for you and contains indicative terms only. All material contained herein, including proposed terms and conditions are for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation. Goldman Sachs shall have no liability, contingent or otherwise, to the user or to third parties, for the quality, accuracy, timeliness, continued availability or completeness of the data and information. Goldman Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors and/or counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of any kind.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State. These securities are being offered by the issuer and represent a new financing. A final prospectus relating to these securities may be obtained from the offices of Goldman, Sachs & Co., 85 Broad Street, New York, NY 10004.

See http://www.gs.com/disclaimer/email-salesandtrading.html for important risk disclosures, conflicts of interest and other terms and conditions relating to this e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/disclaimer/email/ for further information on confidentiality and the risks of non-secure electronic communications. If you cannot access these links, please notify us by reply message and we will send the contents to you.
Date today is $6bn, with another $18bn in various reserves ($24bn total vs $15bn total that we had discussed). $1.6bn of the $25bn sold, with the majority of the unsold bonds being investment grade. Equity more than 80% sold.
we sell this at 70-00, 80-00 or 85-00... i need to go raise a fund and buy the other half

From: Rosenblum, David J.
Sent: Thursday, October 12, 2006 11:04 AM
To: Swenson, Michael; Bohra, Bunky; Wisenthal, Scott; Binbaum, Josh
Cc: Sparks, Daniel L; Herrick, Darryl K; Ostrem, Peter L
Subject: FW: Polygon

HI

From: Cornachia, Thomas
Sent: Thursday, October 12, 2006 10:38 AM
To: Cornachia, Thomas; Rosenblum, David J.
Cc: Herrick, Darryl K
Subject: RE: Polygon

keep in mind the overall objective - this is not about one trade - having said that, i agree that 70 may be too low

From: Ostrem, Peter L.
Sent: Thursday, October 12, 2006 10:19 AM
To: Cornachia, Thomas; Rosenblum, David J.
Cc: Herrick, Darryl K
Subject: Polygon

70 is NOT going to work on Hudson Mezz equity. 90 would work.

100 is a no-loss yield of 22%
95 is a no-loss yield of 24%
90 is a no-loss yield of 28%
85 is a no-loss yield of 28%

We have a 6mm of firm equity orders at par and we have only been marketing this equity for two weeks (60mm of total equity).

We see value in a large 30mm order and can offer 90 dollar price to help achieve that. We are reasonable and will listen to levels around 90.
Footnote Exhibits - Page 4330

From: Swenson, Michael <Michael.Swenson@ay.email.gs.com>
Sent: Thursday, October 26, 2006 10:54 AM
To: McMahon, Bill <Bill.mcmahon@ay.email.gs.com>; Sobel, Jonathan <Jonathan.Sobel@ay.email.gs.com>; Sparks, Daniel L <dan.sparks@ay.email.gs.com>; Bimbaum, Josh <josh.bimbaum@ay.email.gs.com>
Cc: Swenson, Michael <Michael.Swenson@ay.email.gs.com>
Subject: ARX Update

Bill - 

Since the pricing of the CD0 yesterday we have moved a significant amount of risk:

DBB - DV01 is now down to $1.1m/bp

In addition to 22bb of risk that was placed into the CD0, we have sold to retain since
4pm yesterday 52bb of DBB risk.

Goldman Sachs
Michael J. Swenson
Fixed Income, Currency & Commodities

This material has been prepared specifically for you by the Fixed Income Trading Department and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Goldman Sachs and our affiliates are not responsible for any errors or omissions in the material. This material is based on information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Certain terms and risk are not represented and may vary. Certain transactions, including those involving futures, options, swaps, or other instruments described herein, involve a high degree of risk and are not suitable for all investors. We, or persons involved in the preparation or issuance of this material, may from time to time, have long or short positions in, and buy or sell, the securities, futures, options or other instruments and investments described herein or related to those mentioned herein. Goldman Sachs does not provide accounting, tax or legal advice, such matters should be discussed with your advisors and or counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of the material that are not marked Confidential and/or Proprietary to any third parties, including entities or individuals outside of the U.S., and that Goldman Sachs International, which is regulated by the Financial Services Authority in the United Kingdom, and by Goldman Sachs Canada Inc. in connection with its distribution in Canada, further information on any of the securities, futures or options mentioned in this material may be obtained upon request and for the purpose of any persons in Italy should contact Goldman Sachs S.p.A. in Milan, or the London branch office at 100 Fenchurch Street.

This material does not evidence any agreement or imply a besting arrangement between any parties and does not constitute a contract or agreement to provide any financing or underwriting, any financing or underwriting is subject to all terms in effect at Goldman Sachs, and is subject to, among other things, the completion of documentation in form and substance satisfactory to Goldman Sachs.

This message may contain information that is confidential and privileged. If you are not the intended recipient, please delete the sender immediately and delete the message. See http://www.gs.com/policies/confidential for further information on confidentiality and the risks inherent in electronic communication.

Confidential Treatment Requested by
Wall Street & The Financial Crisis
Report Footnote #2274

GS MBS-E-0000054856
From: Egol, Jonathan
Sent: Thursday, October 19, 2006 8:52 AM
To: Toure, Fabrice; Williams, Geoffrey
Subject: re: BBB RMBS

Pls get looped in in case they have anything.

----- Original Message ----- 
From: Rosenblum, David J. 
To: Herrick, Mitchell R; Egol, Jonathan; Herrick, Darryl E 
Cc: Buss, Alan; Marshoun, Michael; Swanson, Michael; Binswanger, Josh; Primer, Jeremy; Sibert, Matthew C; Case, Benjamin; Ostrom, Peter L 
Sent: Thu Oct 19 06:42:24 2006 
Subject: re: BBB RMBS

...So amazing you should ask -- we had this convo for an hour last night-- buss and marshoun and primer-- THIS IS WHAT WE'RE TALKING ABOUT! Can you come to the rescue here?

Thx
D

----- Original Message ----- 
From: Rosenblum, David J. 
To: Egol, Jonathan; Herrick, Darryl E 
Cc: Rosenblum, David J. 
Sent: Thu Oct 19 04:35:25 2006 
Subject: re: BBB RMBS

do we have anything talking about how great the BBB sector of RMBS is at this point in time. a common response i am hearing on both norton & mosi is a concern about the housing market and BBB in particular,

We need to arm sales with a bit more - do we have anything?
Footnote Exhibits - Page 4332

From: Carrett, Paul (GSJEW) 
Sent: Friday, October 20, 2006 5:40 PM 
To: Henrik, Daryl W. 
Cc: Chauhary, Omar; Malleazzo, George (GSJEW) 
Subject: Hudson Mezz - arguments required 

The guy at Schroders looking at this deal has one main issue has has to get over: 
He is worried about how he is going to convince his boss to invest in a pool of sub prime mortgages with probably their greatest exposures in California and Florida. He is nervous on US house prices. 
Pretty fundamental question, but do we have a couple of key messages I should prepare him with? 
I have some background material on the mortgage market from Gasvoda's team, but anything specific material beyond this we can offer? 
I made the point repeatedly (to the point where he should be able to repeat it verbatim to his boss) that he has structural protection underneath each BSIB security in the pool, and some again in the CDO. Also discussed the value of diversity and the fact that most property price crashes and mortgage defaults tend to be localized, which should give him further comfort. 
Anything else you would offer? He is not a big believer in the Moody's data and ratings system. 
I WANT THIS GUY THERE AND IN SIZE! Please help if you can – just three bullet points would help. 

Cheers 
Pual 

Paul Carrett 
Executive Director 
Structured Asset Solutions 
Telephone 613 9330 1261 
Facsimile 613 9330 3377 
Mobile 61 413 877 695 
email: paul.carrett@gsjew.com 
www.gs.jew.com 

Paul Innes, Currency and Commodities 
Goldman Sachs, EAME Fino Ltd 
Level 48 
Governor Phillip Tower 
Sydney Place 
Sydney NSW 2000 
Australia 

Confidential Treatment Requested by Goldman

Wall Street & The Financial Crisis
Report Footnote 2277
swanseac/tty can you come by this AM to walk through where we are on the whole cap structure and we can rope in peta by phone if he is avail

thanks

d

-----Original Message-----
From: Swansoe, Michael
Sent: Thursday, October 12, 2006 7:05 AM
To: Rosenblum, David J.; Ostrom, Peter L.
Subject: Re: Hudson Mezzanine Funding 2006-1 Ltd.: Computational Materials for UBS (144a/Reg S) (external)

I am extremely impressed by darryl!! and the rest of your team.

Thanks

----- Original Message ----- 
From: Herrick, Darryl K
To: Swansoe, Michael
Sent: Thu Oct 12 01:11:59 2006
Subject: RE: Hudson Mezzanine Funding 2006-1 Ltd.: Computational Materials for UBS (144a/Reg S) (external)

Thanks Mike. This is an awesome challenge, but excited about getting to the goal line

----- Original Message ----- 
From: Swansoe, Michael
Sent: Wednesday, October 11, 2006 9:46 PM
To: Herrick, Darryl K; Lehman, David A.; Binbaum, Josh
Subject: Re: Hudson Mezzanine Funding 2006-1 Ltd.: Computational Materials for UBS (144a/Reg S) (external)

Darryl you are doing an awesome job keep it up

----- Original Message ----- 
From: Herrick, Darryl K
To: Swansoe, Michael; Lehman, David A.; Binbaum, Josh
Subject: FW: Hudson Mezzanine Funding 2006-1 Ltd.: Computational Materials for UBS (144a/Reg S) (external)

This clears the team of majority the senior risk Equity and BBs we are hammering away on and hope to get traction tomorrow/Friday

Confidential Treatment Requested

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #278

GS MBS-E-0000030518
Footnote Exhibits - Page 4334

-----Original Message-----
From: Kelly, Ryan
Sent: Wednesday, October 11, 2006 7:38 PM
To: Herrick, Daryl K.
Subject: For: Hudson Mezzanine Funding 2006-1 Ltd.: Computational Materials for UBS (144a/Reg S) (external)

Darryl,
PLease see attached feedback. By the A1's...they mean the 2 yrs. Helpful <<Legal Disclaimer>> by this helps. It's a start.

RK

---------------
Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Joseph.Sherps@ubs.com <Joseph.Sherps@ubs.com>
To: Kelly, Ryan
Subject: RE: Hudson Mezzanine Funding 2006-1 Ltd.: Computational Materials for UBS (144a/Reg S) (external)

Culled you back. We are interested in the A1. Think the size will be half the tranche. We can discuss tomorrow.

--------------
From: Kelly, Ryan [mailto:Ryan.Kelly@gs.com]
Sent: Wednesday, October 11, 2006 2:24 PM
To: Herrick, David; Sherps, Joseph
Subject: Re: Hudson Mezzanine Funding 2006-1 Ltd.: Computational Materials for UBS (144a/Reg S) (external)

Strictly Confidential and Proprietary

Attached is the portfolio with CUSIPs requested by UBS.

<<hudson_mezz_investor_port.xls>>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0000030519
We should discuss this live, but I think their likelihood of getting principal back is almost zero, given market implied pricing for AXN.

-- AXN.HS.BBB.06-1 0 91 px
-- AXN.HS.BBB.06-1 0 86 px
-- AXN.HS.BBB.06-2 0 91 px
-- AXN.HS.BBB.06-2 0 71 px

The blended price of the AXN component of that portfolio (40% of the transaction) is approx 82, meaning that the equity has no NAV coverage. This piece of risk should trade like an IO, and the main risk at this point is downgrade risk that could cause triggers to fail and cause their equity cashflows to shorten for good.

Ben will give you more insight as to how the triggers are structured, and how much downgrades could cause those triggers to be activated.

-----Original Message-----
From: Maltese, George (GSJEW)
Sent: Sunday, March 04, 2007 2:04 PM
To: Toure, Fabrice; Garrett, Paul (GSJEW); Epli, Jonathan; Williams, Geoffrey
Subject: Re: Hedging

They own Hudson most I know equity.

George Maltese
Structured Asset Solutions
Tel: 516.923.1990

----- Original Message ----- 
From: Toure, Fabrice <Fabrice.Toure@gs.com>
To: Garrett, Paul; Epli, Jonathan; Williams, Geoffrey - GS
Cc: Maltese, George
Sent: Mon Mar 05 08:46:01 2007
Subject: Re: Hedging

can you remind us what they own ?

________________________
From: Garrett, Paul (GSJEW)
Sent: Sunday, March 04, 2007 4:26 PM
To: Epli, Jonathan; Toure, Fabrice; Williams, Geoffrey
Cc: Maltese, George (GSJEW)
Subject: Hedging

Team

Mariner is interested in ideas for hedging their Hudson exposure. Could you please provide

Confidential Treatment Requested by GOL

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis Report Postnote #1289
GSWS-E-06663883
some thoughts on the following:

1. Putting aside current pricing, I would have thought a form of delta hedging their exposures to either troublesome single names, or the ASX indices as a whole might work to some extent. In "normal" conditions, what sorts of strategies would you suggest?

2. In the context of current pricing, is there some compromise or variation on the above that might be helpful to them. Their main objective is ensuring recovery of principal. Presumably very challenging in the context of current markets.

I should have prefaced the above with the fact that I do not believe that they are about to hedge this position - the horse has bolted in pricing terms. They are no doubt getting questions from the company's board as to what could be done, as a learning exercise, and potentially as a complete downside case.

We will also point out that if they put on a hedge on the ASX and the index started screaming in they would have a very serious mark to market issue on their hands.

All thoughts welcome.

Cheers

Paul

Paul Carrett
Executive Director
Structured Asset Solutions

Fixed Income, Currency and Commodities
Goldman Sachs (Australia) Pty Ltd

Telephone 612 9920 1241
Facsimile 612 9920 1222
Mobile paul.carrett@gs.com paul.carrett@gso.com www.gs.com

Level 49
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Confidential Treatment Requested by Goldman Sachs
November 21, 2008

Via Fax, E-mail and Courier

To: Morgan Stanley Capital Services, Inc.
1585 Broadway
New York, New York 10036
Telephone: 212-761-2996
Facsimile: 212-507-4563
E-mail: mayorelief@morganstanley.com

Re: Senior Swap Confirmation (Reference Number SDR968925159), dated as of October 23, 2006 (the “Senior Swap Confirmation”) between Goldman Sachs Capital Markets, LP (“GSCM”) and Morgan Stanley Capital Services, Inc. (“Counterparty”)

Reference is made to the attached notice, dated November 21, 2008, from MSCS to GSCM. The Senior Swap Funding Payment was calculated by the Calculation Agent under the Senior Swap as the difference between (i) the payment due the Credit Protection Buyer under the Credit Default Swap of $931,628,133.63 and (ii) the proceeds from the liquidation of the remaining collateral of $627,863.65, resulting in the Senior Swap Funding Payment of $931,000,249.98.

Capitalized terms used but not defined herein have the respective meanings ascribed thereto in the Senior Swap Confirmation.

GOLDMAN SACHS CAPITAL MARKETS, LP
MEMORANDUM

To: Mortgage Capital Committee

From: Peter Ostrem
Matthew Bieber
Anaree West
Shelly Lin
Eric Siegel
Jonathan Sobel
Dan Sparks
David Rosenblum
Tim Saunders
Pat Welch

CC: September 25, 2006

Re: Placing debt and equity on a static mezzanine structured product CDO with GSC Partners ("GSC")

1. Introduction

We have been asked to structure a $500 million mezzanine structured product CDO backed by a portfolio of RMBS, CMBS, CDO and ABS with an average rating of Baa2/BBB ("Hudson Mezzanine Fund II"). Goldman will be engaged by Hudson Mezzanine Funding II as Liquidation Agent and in this role will have the responsibility of liquidating "Credit Risk Assets" (defined below in section III). Goldman and GSC Partners ("GSC") will co-select the portfolio that will collateralize the CDO. GSC Ellia Bridge, a CDO equity fund managed by GSC, has pre-committed to purchase 50% of the equity in the CDO total equity will be approx. $17.0 million upon closing of the transaction. GSC Ellia Bridge will share 50% of the warehouse risk on the first $20 million of potential loss exposure during the portfolio ramp-up and will initially post $5.0 million to collateralize this commitment, with additional postings up to $10.0 million as the portfolio grows.

We do not expect to charge any upfront fee and similarly, GSC will not charge any ongoing management fees. Without fees, the equity yield is expected to be approximately 30%. We expect to retain a senior mezzanine security which will reduce the CDO equity's yield to approximately 20%. This is the level we intend to offer equity to third parties.

In return for our role as Liquidation Agent, Goldman will receive an ongoing fee of 0.10% of the CDO's portfolio balance. Total economics to Goldman are expected to be $3.5 million upfront (includes the premium sale of equity and not carry from the warehouse) and $600k per annum over a 4 duration (the ongoing P/L of 0.10% for acting as liquidation agent which we cannot recognize upfront).

As Liquidation agent, Goldman will liquidate assets determined by the Trustee to be "Credit Risk Assets" based on specific guidelines. Goldman will have 12 months to sell these assets. Sales will be made under a competitive bidding process whereby we will solicit three outside bids and select the highest. Goldman's role in this transaction is comparable to the role we currently assume in the Houbt Bay and Hudson IG transactions. Prior to executing Houbt Bay I, in which we also played the Liquidation Agent role, we spoke with multiple counterparties as to our role as Liquidation Agent. We received approval for our role in this transaction from legal and accounting. We spoke with outside counsel, O'Melveny and Meffris, and they were comfortable providing true sale and non-consolidation opinions for the transaction. We spoke with Mary Mans in Accounting Policy and John Little in Product Control, and they in collaboration with Profitmax/MoodyCoopers were comfortable that the Houbt Bay transaction met true sale and non-consolidation conditions from an accounting perspective. Finally, we spoke with outside counsel, Almner Cullen, about potential issues related to the Investment Advisor Act. They are of the opinion that our role of Liquidation Agent does not cause us to be deemed an Investment Advisor based on an exception to
the Advisors Act for a "limited grant of discretion." For a more detailed account of Goldman's role as Liquidity Agent and related discussions with legal and accounting counterparts please see section III, "The Liquidity Agent: Goldman."

We expect to offer the subordinate triple-A, double-A, single-A and triple-B debt to the market through our syndicate. Goldman has no commitment on any of the offered notes, but Goldman may be subject to warehouse losses in the event the CDO does not close.

Goldman Sachs has a strong relationship with GSC. We closed a $900 MM middle market CLO with GSC in January 2006 (equity in the CLO was purchased by GSC Capital Corp.), earning $2.4 MM in structuring fees. We are currently marketing a high grade transaction with GSC and have a single-A focused structured product CDO ramping. In addition Goldman and GSC are working together on a CDO equity sponsorship vehicle, ORCA Funding. The head of the structured products team at GSC worked with us at J.M. moving to GSC, marketing us on the high grade CDO transactions, totaling $2 billion in issuance and $4 billion in loss to GS.

II. Transaction Overview

A Cayman Islands limited liability company (the "Issuer") will be established which will purchase the warehoused portfolio at closing and will issue the following notes and equity:

<table>
<thead>
<tr>
<th>Class</th>
<th>Balance</th>
<th>% of Capital Structure</th>
<th>Moody's/S&amp;P</th>
<th>Expected Spread</th>
<th>Expected Average Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A-1 Notes</td>
<td>$625.0 MM</td>
<td>65.0%</td>
<td>Aaa/AAA</td>
<td>L+350bp</td>
<td>5.0</td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>50.0 MM</td>
<td>10.0%</td>
<td>Aaa/AAA</td>
<td>L+450bp</td>
<td>5.0</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>40.0 MM</td>
<td>8.0%</td>
<td>Aa3/AA</td>
<td>L+650bp</td>
<td>5.5</td>
</tr>
<tr>
<td>Class C Notes</td>
<td>35.0 MM</td>
<td>7.0%</td>
<td>A2/A</td>
<td>L+1450bp</td>
<td>6.0</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>28.5 MM</td>
<td>5.7%</td>
<td>Ba2/BBB</td>
<td>L+325bp</td>
<td>7.0</td>
</tr>
<tr>
<td>Class E Notes</td>
<td>4.5 MM</td>
<td>0.9%</td>
<td>Ba1/BBB</td>
<td>L+550bp</td>
<td>7.8</td>
</tr>
<tr>
<td>Income Notes</td>
<td>17.0 MM</td>
<td>3.4%</td>
<td>NR</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Portfolio</td>
<td>$880.0 MM</td>
<td>100.0%</td>
<td>Avg. A1/A2</td>
<td>L+1650bp</td>
<td>5.5</td>
</tr>
</tbody>
</table>

The transaction will have a legal maturity of 35 years, however the expected average life of the Notes will be approximately 5-7 years. The equity will also have the option to call the transaction after a 5-year non-call period.

P&L to Goldman will be approximately $5.5 MM upfront and $500k per annum thereafter over a 4 duration. In return for fees and 50% of the net warehouse carry (50% of the net carry will be approx. $6.5 MM), Goldman will (1) take half of the warehouse risk on the first $40 MM of losses and 100% of the warehouse risk if losses exceed $40 MM and (2) place the Class A, B, C, D, and E Notes and may place a portion of the income Notes (the income Notes are the equity class) on a "best efforts" basis. Goldman has committed to purchase 50% of the income Notes and GSC has committed to purchase the other 50%. GSC would like to hold only 25% of the income Notes upon closing, but we have agreed to sell down our commitments pro-rata and equally purchase any remaining equity.

Collateral Description

- 100% of the CDO portfolio will be identified at closing.
- 100% of the portfolio will be rated at least Baa3 by Moody's or BBB- by S&P.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-015475757
Footnote Exhibits - Page 4340

- The portfolio is expected to be approximately 80% subprime RMBS, 12% prime and ARA RMBS, 5% CMBS and 5% CDOs. Up to 100% of the portfolio may be single-name synthetic exposures.

III. Collateral Manager

GSC Partners was established in 1998 by Alfred C. Eckert, III, former Partner and Head of Private Equity/Distressed Debt Investing and Corporate Finance at Goldman Sachs. The team consists of 80 persons worldwide, 35 of whom are investment professionals.

GSC Partners has over $7.2bn in assets under management, with over $3.3bn invested in structured credit. Six CDO/CLO funds have been raised since 2009.

In early 2005, Frederick H. Horton joined GSC Partners from TCIW to build a structured products platform at GSC. Since joining GSC, the structured products group has leased a private mortgage REIT, GSC Capital Corp, and two synthetic mezzanine structured product CDOs.

For GSC, the CDO is an opportunity to grow their existing structured product CDO platform. For Goldman, the CDO will provide an opportunity to enhance our strategic relationship with GSC and maintain our leadership in the high grade structured product CDO market.

IV. Underwriting Commitments

Goldman Sachs will act as sole placement agent of the Class A, B, C, D, and E Notes and the Income Notes and will be working on a "best efforts" basis on all of the debt and has a firm commitment on 50% of the income notes. GSC Capital Corp is pre-committed to purchase 50% of the Income Notes.

The primary demand for mezzanine notes / equity in these types of transactions comes from European, Australian, and Asian banking and insurance institutions, US asset managers, other structured investment vehicles, and CDO equity funds. These various accounts continue to express interest in gaining a leveraged exposure to the U.S. structured product market. The structured product CDO vehicle allows them to gain this exposure on a diversified basis.

We expect to purchase approximately $2-4 NM of the equity on the pricing date, but we will have no commitment to hold such position after closing.

Goldman’s current portfolio of CDO and CLO equity held within the CDO group is detailed in Appendix B.

V. Portfolio Ramp-Up and Equity Marketing

Initially, Goldman will assume 50% of first loss risk in the warehouse on the first $40 MM of losses and 100% of second loss risk above $40 MM in the event the CDO fails to close. GSC Capital Corp. will be taking 50% of first loss risk in the warehouse on the first $40 MM and will initially put $50 MM to collateralize this commitment. Goldman will have full recourse to GSC Capital Corp. (currently $150-200 MM in capital) for losses in excess of the posted amount, but not to exceed $20 MM and will have the right to liquidate the portfolio upon any material negative mark-to-market.

Additionally, we will continue to pursue early equity and mezzanine debt commitments from additional investors to reduce the risk of a failed closing. Appendix A details our current warehouse exposures across the CDO group.

The general terms of the portfolio ramp-up are as follows:
  - GS has the right to veto all asset purchases and GSC has the right to veto all asset purchases;
  - GS has unilateral right to liquidate an asset or the warehouse;
  - All assets are sub-forward to the CDO at time of purchase and the forward price covers any hedge or trading mark-to-market on assets during the warehouse phase.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-013473758
Footnote Exhibits - Page 4341

- 50% of positive carry will be paid to GS (positive carry is equal to any net income in excess of Goldman’s cost of financing during the warehousing period). Net carry is expected to be approximately $1.0 MM which will be shared 50/50 between Goldman and GSC Capital Corp.
- Position sizes will be limited to $20 MM for assets rated single-A or higher and $10 MM for triple-B assets.

VI. Expected Fees

Goldman expects to recognize P&L equal to 1.5% times the par balance of the collateral portfolio. We expect a $500 MM transaction and the P&L, in that case, would be $7.5 MM. Additionally, Goldman expects to earn profit by selling assets into the CDO and from Goldman’s share of warehouse net carry (which is estimated to be $0.5 MM) and from our ongoing role as liquidation agent (which will be $500k per annum on a 4-duration).

VII. Reasons to Pursue

We are pursuing this transaction for the following reasons:

1. Goldman is approving every asset going into the warehouse. The respective trading desks are seated on each asset offered into the CDO by GSC from the street and we do not accept any asset that is not approved by the respective trading desk. In addition, we expect that 20-40% of the portfolio by dollar will come from Goldman’s offerings.

2. Although we will be marketing a $500 MM transaction, Goldman can price the transaction earlier with a lower balance if we are concerned about future market conditions or we can upsie the transaction if there are reasons to merit that action.

3. We will be offering the equity to third party investors with a no-loss yield of 18-20% which is consistent with CDO equity from mezzanine structured product CDOs currently being sold into the market.

4. We expect to generally market the debt and equity once the transaction is approximately 70% ramped. We expect to offer the equity and debt on an early commitment basis (we will commence those discussions upon initial portfolio ramp).

5. GSC Capital Corp. is taking half of the first loss risk in the warehouse and is committed to half of the equity. Goldman has a “best efforts” underwriting commitment on the debt, and Goldman’s expected total P&L of approximately $1.5 MM.

VIII. Strengths / Issues to Consider

Strengths
- Pre-Sold Equity: GSC Capital Corp. has pre-committed to purchase half of the equity.
- Repeat Collateral Manager: This transaction would represent GSC’s fourth CDO with Goldman in 2006 and GSC’s third structured product CDO.
- Collateral: 100% of the portfolio will have a rating of investment grade.
- Pre-Marketing: We will begin discussions with numerous investors on early commitments on equity and debt (TCW Equity Fund, Commerzbank, Bents Capital, Sanderman, Magnier, and Mariner).

Issues to Consider
- Warehouse: Goldman Sachs will be exposed to half of any first loss exposure on the first $40 MM and 100% of any second loss exposure above $40 MM if the deal fails to close. GSC Capital Corp. is
Footnote Exhibits - Page 4342

initially posting $5.0 MM to collateralize its risk sharing commitment and will make additional contributions up to $20 MM as the warehouse ramps.

IX. Recommendation

GSC is a repeat CDO issuer and is one of Goldman's strongest relationships in the structured product CDO market. Goldman Sachs will be involved in structuring the transaction, selling assets into the transaction, placing the Notes and the equity of the CDO and in return, will recognize P&L of approx. $5.5 MM.

In light of the above, we request that the Capital Committee approve our proposal to enter into a "best efforts" underwriting of the CDO amid, firm commitment on half the equity, and to move forward with the warehouse risk sharing arrangement with GSC.
### Appendix A: Current CDO Warehouses

#### Structured Product CDO Warehouses

<table>
<thead>
<tr>
<th>Size Name</th>
<th>Size / Current Warehouse</th>
<th>Collateral Description</th>
<th>AA Warehouse Risk</th>
<th>Cost of Financing</th>
<th>Expected Pricing</th>
<th>Apprs. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.0 Billion</td>
<td>A2S99S - RMBS, CMBS, ABS, CDO</td>
<td>Normal, 90%+ in GS, all asset purchases from GS</td>
<td>LIBOR +3</td>
<td>Apr-06</td>
<td>$1.25 MM</td>
<td></td>
</tr>
<tr>
<td>$2.0 Billion</td>
<td>A2S99S - RMBS, CMBS, ABS, CDO</td>
<td>100% to GS</td>
<td>NA</td>
<td>Jul-06</td>
<td>$1.2 MM</td>
<td></td>
</tr>
<tr>
<td>$3.0 Billion</td>
<td>A2S99S - RMBS, CMBS, ABS, CDO</td>
<td>NA</td>
<td>NA</td>
<td>Jul-06</td>
<td>$1.2 MM</td>
<td></td>
</tr>
<tr>
<td>$4.0 Billion</td>
<td>A2S99S - RMBS, CMBS, ABS, CDO</td>
<td>1st Class, 70%+ in GS, 2nd Class, 100% above $5 MM</td>
<td>NA</td>
<td>Aug-06</td>
<td>$1.2 MM</td>
<td></td>
</tr>
</tbody>
</table>

#### CLO Warehouses

<table>
<thead>
<tr>
<th>Size Name</th>
<th>Size / Current Warehouse</th>
<th>Collateral Description</th>
<th>AA Warehouse Risk</th>
<th>Cost of Financing</th>
<th>Expected Pricing</th>
<th>Apprs. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.0 Billion</td>
<td>A2S99S - RMBS, CMBS, ABS, CDO</td>
<td>100% to GS</td>
<td>NA</td>
<td>Aug-06</td>
<td>$1.2 MM</td>
<td></td>
</tr>
<tr>
<td>$2.0 Billion</td>
<td>A2S99S - RMBS, CMBS, ABS, CDO</td>
<td>NA</td>
<td>NA</td>
<td>Aug-06</td>
<td>$1.2 MM</td>
<td></td>
</tr>
</tbody>
</table>

---

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-013475761

---

©
## Footnote Exhibits - Page 4344

### Appendix B: CDO Equity Positions

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Face [MM]</th>
<th>Deal Type</th>
<th>Currency</th>
<th>Market Price</th>
<th>Market Value [MM]</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCI CDO II Limited</td>
<td>1.26</td>
<td>CLO</td>
<td>USD</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FCI CDO II Limited</td>
<td>1.88</td>
<td>CLO</td>
<td>USD</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>First Dominion Funding I</td>
<td>0.57</td>
<td>CLO</td>
<td>USD</td>
<td>45</td>
<td>0.26</td>
</tr>
<tr>
<td>First Dominion Funding II</td>
<td>1.94</td>
<td>CLO</td>
<td>USD</td>
<td>15</td>
<td>0.18</td>
</tr>
<tr>
<td>Galaxy CDO 1 Limited</td>
<td>0.77</td>
<td>CLO</td>
<td>USD</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Premier CDO Limited</td>
<td>0.82</td>
<td>CLO</td>
<td>USD</td>
<td>15</td>
<td>0.21</td>
</tr>
<tr>
<td>Silicon Valley LP</td>
<td>0.87</td>
<td>CLO</td>
<td>USD</td>
<td>60</td>
<td>0.58</td>
</tr>
<tr>
<td>Vodafone PLC CLO, Ltd</td>
<td>3.00</td>
<td>CLO</td>
<td>USD</td>
<td>90</td>
<td>3.70</td>
</tr>
<tr>
<td>Silicon Valley</td>
<td>2.10</td>
<td>CLO</td>
<td>USD</td>
<td>90</td>
<td>1.20</td>
</tr>
<tr>
<td>Nine CLO Ltd</td>
<td>0.30</td>
<td>CLO</td>
<td>USD</td>
<td>60</td>
<td>0.40</td>
</tr>
<tr>
<td>Avan IR</td>
<td>0.30</td>
<td>CLO</td>
<td>USD</td>
<td>90</td>
<td>0.67</td>
</tr>
<tr>
<td>Putnam Structured Product CDO 2002-1, Ltd</td>
<td>4.60</td>
<td>SP CDO</td>
<td>USD</td>
<td>70</td>
<td>3.00</td>
</tr>
<tr>
<td>Davis Square Funding I, Ltd</td>
<td>2.00</td>
<td>SP CDO</td>
<td>USD</td>
<td>75</td>
<td>1.50</td>
</tr>
<tr>
<td>N.Y.C.I.M. Structured CDO 2001-1, Ltd</td>
<td>3.25</td>
<td>SP CDO</td>
<td>USD</td>
<td>1</td>
<td>0.03</td>
</tr>
<tr>
<td>Bank Note Funding, Ltd</td>
<td>0.73</td>
<td>SP CDO</td>
<td>USD</td>
<td>67</td>
<td>0.49</td>
</tr>
<tr>
<td>Davis Square Funding II, Ltd</td>
<td>1.50</td>
<td>SP CDO</td>
<td>USD</td>
<td>75</td>
<td>1.13</td>
</tr>
<tr>
<td>Commerz AG</td>
<td>0.99</td>
<td>SP CDO</td>
<td>USD</td>
<td>75</td>
<td>0.49</td>
</tr>
<tr>
<td>Acreditavck CDO 2001-1 Funding, Ltd</td>
<td>3.35</td>
<td>SP CDO</td>
<td>USD</td>
<td>90</td>
<td>3.18</td>
</tr>
<tr>
<td>Cocking Funding, Ltd</td>
<td>2.45</td>
<td>SP CDO</td>
<td>USD</td>
<td>80</td>
<td>1.92</td>
</tr>
<tr>
<td>Allen Funding, Ltd</td>
<td>2.02</td>
<td>SP CDO</td>
<td>USD</td>
<td>80</td>
<td>1.63</td>
</tr>
<tr>
<td>Davis Square Funding III, Ltd</td>
<td>4.00</td>
<td>SP CDO</td>
<td>USD</td>
<td>80</td>
<td>3.31</td>
</tr>
<tr>
<td>0 Street Finance Ltd</td>
<td>4.03</td>
<td>SP CDO</td>
<td>USD</td>
<td>80</td>
<td>3.25</td>
</tr>
<tr>
<td>Acreditavck CDO 2001-2 Funding, Ltd</td>
<td>4.64</td>
<td>SP CDO</td>
<td>USD</td>
<td>90</td>
<td>3.71</td>
</tr>
<tr>
<td>Waterfall Funding Ltd</td>
<td>1.90</td>
<td>SP CDO</td>
<td>USD</td>
<td>35</td>
<td>0.45</td>
</tr>
<tr>
<td>Davis Square Funding IV, Ltd</td>
<td>0.31</td>
<td>SP CDO</td>
<td>USD</td>
<td>30</td>
<td>0.24</td>
</tr>
<tr>
<td>Davis Square Funding V, Ltd</td>
<td>0.23</td>
<td>SP CDO</td>
<td>USD</td>
<td>30</td>
<td>0.19</td>
</tr>
<tr>
<td>Fitchs CDO, Ltd</td>
<td>0.09</td>
<td>SP CDO</td>
<td>USD</td>
<td>30</td>
<td>1.20</td>
</tr>
</tbody>
</table>

**Total** 78.98 USD 58.51

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-013475782
From: Sparks, Daniel L  
Sent: Sunday, May 14, 2006 1:01 PM  
To: Willing, Curtis  
Subject: RE: GSC - Prime Brokerage

I've run a bunch of traps for them in the past.  
You should know what I need to be posted on, not leave it to the client to decide.

-----Original Message-----  
From: Willing, Curtis  
Sent: Wednesday, May 10, 2006 8:47 AM  
To: Sparks, Daniel L  
Subject: RE: GSC - Prime Brokerage

I asked Ed and Josh early on if they wanted me to get you and Connacchia involved to get this moving and they said it was mere of an inquiry at that point. When I relayed to them that the team here had multiple points of contact with GSC already they asked me to just hold off until they had a better sense of who at Goldman was talking to various contacts at GSC. Yesterday they asked me to move forward again...I just received that response this morning.

-----Original Message-----  
From: Sparks, Daniel L  
Sent: Wednesday, May 10, 2006 8:48 AM  
To: Willing, Curtis  
Subject: RE: GSC - Prime Brokerage

Mistake not to involve me from early on

-----Original Message-----  
From: Willing, Curtis <cwrille@cs.com>  
Sent: Wednesday, May 10, 2006 8:49 AM  
To: Sparks, Daniel L <dan.sparks@hsbc.com>  
Cc: Connacchia, Thomas <tomm@hsbc.com>  
Subject: RE: GSC - Prime Brokerage

Let me know if there is something more you think I could be doing here per Steffelian's request.

-----Original Message-----  
From: Solomon, David J (DJS)  
Sent: Wednesday, May 10, 2006 8:03 AM  
To: Willing, Curtis; Holland, Dan  
Subject: RE: GSC - Prime Brokerage

We don't work with ABS funds (no PB营收), what we can do is circulate these materials to the team (in case any investor inquire about ABS funds opportunistically), hope this will be helpful. Call either of us if you have any questions.

-----Original Message-----  
From: Willing, Curtis  
Sent: Wednesday, May 10, 2006 7:47 AM  
To: Solomon, David J (DJS); Holland, Dan  
Subject: RE: GSC - Prime Brokerage

Ed Steffelian, Fred Horton and Josh Bisau would like to talk to us about raising money for them in their Elliot Bridge Fund. It's a fixed income abs fund focusing primarily on ABS

Confidential Treatment Requested by GOX
Footnote Exhibits - Page 4346

using cash and synthetics, long/short strategies. 43mm currently looking to get to $150-200mm over the next 9-12 months. There is one investor and GSC in the fund. Please let me know how we could go about arranging a meeting.

Thanks

-----Original Message-----
From: Solomon, David E (GS)
Sent: Monday, April 17, 2006 5:31 PM
To: Willing, Curtis; Holland, Ben
Subject: RE: GSC - Prime Brokerage

Know them well, was just there with their ISO coverage and a bunch of banks including Bank of Tokyo etc.

Also our team recently hosted a dry-run for their new credit fund.

Also introducing John Lipton to equities and PB folks in Asia.

How can we help?

_____________________________
Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Willing, Curtis <Curtis.Willing@ny.email.ge.com>
To: Holland, Ben <Ben.Holland@ny.email.ge.com>; Solomon, David E (GS)
Cc: <David.E.Solomon@ny.email.ge.com>
Sent: Mon Apr 17 12:14:26 2006
Subject: GSC - Prime Brokerage

Are either of you familiar with GSC Partners? Several Ex-Salomon Partners involved. They currently have ~$9.3 Billion in AUM...although the fund they would like us to have discussions on is currently 1/2 in size. They are a strategic partner with the synthetic desk and have handed us multiple GSO/LSN mandates. Please let me know if we can arrange a discussion on this account.

Thanks

Curt Willing

From: Kamilla, Rajiv
Sent: Monday, April 17, 2006 10:27 AM
To: Willing, Curtis; Epli, Jonathan; Tourecz, Fabrice; Ostrem, Peter L
Cc: Holland, Ben; Solomon, David E (GS)
Subject: RE: GSC - Prime Brokerage

Citing ...Holland, Ben; Solomon, David E (GS)

From: Willing, Curtis
Sent: Monday, April 17, 2006 10:34 AM
To: Epli, Jonathan; Tourecz, Fabrice; Ostrem, Peter L; Kamilla, Rajiv
Subject: GSC - Prime Brokerage

What is my best option for getting dialogue started on this front?

Confidential Treatment Requested by Goldman Sachs
From: Steinfeld, Edward  [eilefeld@gsxpartners.com]
Sent: Tuesday, August 08, 2006 1:25 PM
To: Ostrem, Peter L; Biss, Joshua
Cc: Bieber, Matthew G.; Case, Benjamin; Horton, Fred
Subject: RE: GS/GBC EB Prop deal

We concur.

Ed Steinfeld
212-984-6190
GSX Partners

This email is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Dissemination, distribution or copying of this message or the information contained herein by anyone other than the intended recipient(s) is prohibited. This email is intended for informational purposes only and is not a solicitation, offer or recommendation regarding the purchase or sale of securities or related financial instruments. If you have received this message in error, please notify the sender by reply email and delete this message. Thank you.

From: Ostrem, Peter L  [mailto:Peter.Ostrem@gsx.com]
Sent: Tuesday, August 08, 2006 12:34 PM
To: Biss, Joshua; Steinfeld, Edward
Cc: Bieber, Matthew G.; Case, Benjamin; Horton, Fred
Subject: RE: GS/GBC EB Prop deal

Gentlemen,

Here is what we would do:
- $200m deal
- 50/50 on the equity. Any equity sales reduce our allocation pro-rata.
- no D/G test is ok. Suggest OC test diverting excess spread if BBB OC is less than 100.0% (no header).
- No underwriting fee
- No cap on expenses (we share that risk). But agree we try to keep it low (will definitely be higher than Bumen given agencies alone)
- GS pays 10bp PA on the NOPCB as Asset Liquidation Agent
- 3% size limit
- 3-in non-call
- No reinvestment
- Offer to sell protection on BBB to GSC at market for 0.75% times notional
- Happy to source assets via GSC
- Not sure we can leverage equity, but we will try to sell some BB debt if that helps

Let me know if that works.
Thanks,
Peter

Gentlemen,

Here's what we were thinking to make sure we are all on the same page, let us know what you think.
- 300 million deal (~4.5% non-IG notes and equity)
- No O/C/C tests
- GSC commits to 50% of the equity
- There is no underwriting fee on the deal
- Try to cap upfront expenses (legal, rating agencies, audit) at 1 million
- GS earns 10bps pa on the NOPCB as Asset Liquidation Agent

<table>
<thead>
<tr>
<th>Portfolio Composition</th>
<th>RMBS HE/RBC</th>
<th>Aaa3</th>
<th>30.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMBS HE/RBC</td>
<td>Aaa2</td>
<td>30.00%</td>
</tr>
<tr>
<td></td>
<td>SP CDO</td>
<td>A2</td>
<td>20.00%</td>
</tr>
<tr>
<td></td>
<td>SP CDO</td>
<td>Aaa2</td>
<td>20.00%</td>
</tr>
</tbody>
</table>

- 1% target position size

- 3 year non-call
- No reinvestment
- GSC EB have the right to source up to 50 million of the Baa2 CDOs directly
- GS will use best efforts to source [12] million of the BBBs for GSC EB to short; GS will earn [0.75%] on the notional amount of the short paid upfront
  (fixed cap, with implied withdrawal)
- GS will leverage the equity 50% to GSC

This email is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Dissemination, distribution or copying of this message or the information contained herein by anyone other than the intended recipient is prohibited. This email is intended for informational purposes only and is not a solicitation, offer or recommendation regarding the purchase or sale of securities or related financial instruments. If you have received this message in error, please notify the sender by reply email and delete this message. Thank you.
From: Babar, Matthew G.
Sent: Wednesday, September 27, 2006 9:36 AM
To: Bieou, Joshua
Cc: Caso, Benjamin; Ostrem, Peter L; Staffeln, Edward; Shin, Will
Subject: RE: Names for tomorrow.....

ok on list...$5mn per name.

From: Bieou, Joshua [mailto:jbieou@gspartners.com]
Sent: Tuesday, September 26, 2006 10:24 PM
To: Bieber, Matthew G.
Cc: Caso, Benjamin; Ostrem, Peter L; Staffeln, Edward; Shin, Will
Subject: Names for tomorrow.....

Matt,

As discussed here are the names we wanted to send out for tomorrow’s bid. Please let us know if you have any comments. thanks

Right,
Josh

<table>
<thead>
<tr>
<th>Cusip</th>
<th>Name</th>
<th>Moody’s</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>03437FB8</td>
<td>ACCR 2006-1 M8</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>20445FCB</td>
<td>FALF 2005-1 M6</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>300241QW2</td>
<td>SPRF 2005-F16 E2</td>
<td>Baa2</td>
<td>A</td>
</tr>
<tr>
<td>404200EH7</td>
<td>MASC 2006-OP2 M8</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>469268BA7</td>
<td>JPMAC 2005-FL1 M8</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>50500JL92</td>
<td>MILM 2005-HE1 B2</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>51744CMQ2</td>
<td>MSAC 2005-NC1 B2</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>54350VL97</td>
<td>MCHET 2005-2 M8</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>75112BZ41</td>
<td>VAMP 2005-ECF3 M6</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>04541GQH8</td>
<td>ABSHE 2006-HE2 M7</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>204375DN0</td>
<td>ACF 2005-2 M9</td>
<td>Baa2</td>
<td>BB</td>
</tr>
<tr>
<td>204421VC4</td>
<td>ACE 2006-NC1 M8</td>
<td>Baa2</td>
<td>BB</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by GoX

Permanent Subcommittee on Investigations
Wall Street & the Financial Crisis
Report Footnote #2302
| 230725M95 | AMS 2005-R6 M9 | Baa3 | Baa3 |
| 073979VL9 | MSABS 2005-TC1 M8 | Baa3 | BBB |
| 144531BK5 | CARR 2005-NC1 M8 | Baa3 | BBB |
| 223974AP2 | CWL 2008-RC2 M8 | Baa3 | BBB |
| 81744CPQ9 | MSAC 2005-NC2 E3 | Baa3 | BBB |
| 61744CYK6 | MSAC 2006-NC1 E3 | Baa3 | BBB |
| 64395YK59 | NCHET 2005-1 M9 | Baa3 | BBB |
| 64395YL58 | NCHET 2005-3 M9 | Baa3 | BBB |
| 761128C49 | RAMP 2005-ECF4 M9 | Baa3 | BBB |
| 761128L43 | RAMP 2005-ECF5 M9 | Baa3 | BBB |
| 761128L24 | RAMP 2005-ECF5 M9 | Baa3 | BBB |
| 761109644 | RASC 2005-EMX4 M9 | Baa3 | BBB+ |

This email is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Disclosure, distribution or copying of this message or the information contained herein by anyone other than the intended recipient is prohibited. This email is intended for informational purposes only and is not a solicitation, offer or recommendation regarding the purchase or sale of securities or related financial instruments. If you have received this message in error, please notify the sender by reply email and delete this message. Thank you.
From: Bieber, Matthew G.
Sent: Monday, March 05, 2007 7:45 PM
To: Bisau, Joshua
Subject: RE: Anderson Mezzanine Portfolio as of 3 2 07 (2).xls

we're going to need to execute remaining portfolio wider than 193

From: Bisau, Joshua [mailto:jbisau@gic.com]
Sent: Monday, March 05, 2007 10:55 AM
To: Bieber, Matthew G.
Subject: Anderson Mezzanine Portfolio as of 3 2 07 (2).xls

some levels we did these names on Friday for another trade
the index names will also probably trade

Confidential Treatment Requested by Goldmacher

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2394
Footnote Exhibits - Page 4352

From: Sieber, Matthew G.
Sent: Tuesday, March 06, 2007 2:56 PM
To: Chilton, Michele; Chilton, Michele; Lin, Shelly; Siegel, Eric
Subject: W: Talking Points on New Century

INTERNAL

Freem: fman, Joshua [mailto:jfman@gac.com]
Sent: Tuesday, March 06, 2007 2:26 PM
To: Sieber, Matthew G.; Chilton, Peter L.
Cc: Staff, Edward; Zhu, Wei; Sanai, Rajiv
Subject: Talking Points on New Century

- Historically New Century has on average displayed much better performance in terms of delinquency and default data.
- Prepayment have tended to be higher lowering the extension risk.
- Losses and REO are historically lower than the rest of the market.
- Traditionally the structures have strong enhancements/subordination.

This email is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Dissemination, dissemination or copying of this message or the information contained herein by anyone other than the intended recipient is prohibited. This email is intended for informational purposes only and is not a solicitation, offer or recommendation regarding the purchase or sale of securities or related financial instruments. If you have received this message in error, please notify the sender by reply email and delete this message. Thank you.
Footnote Exhibits - Page 4353

From: Shah, Poonam
Sent: Monday, September 13, 2008 2:48 PM
To: Shah, Poonam; Williams, Geoffray; Fico-admg
Cc: Fico-itgqn-deals; Raiz, Max
Subject: RE: Expected Tranche Trades with GSC on Monday
x-gs-classification: Internal-GS

Tranche trades renamed - pls see below for updated ref numbers:

$10.625mm of 8.625-12.875% (Class B) @ 200bps up front and 15bpps running - NUOG09914003
$6.650mm of 6.125-6.25% (Class C) @ 200bps up front 200bps running - NUOG09915003
$5.9275mm of 3.75-6.125% (Class D) @ 200bps up front and 40bps running - NUOG09916003

Thanks,

From: Shah, Poonam
Sent: Monday, September 13, 2008 2:17 PM
To: Williams, Geoffray; Fico-admg
Cc: Fico-itgqn-deals; Raiz, Max
Subject: RC: Expected Tranche Trades with GSC on Monday

Will book the tranche trades now and rename in tap - will let you know once completed - thanks.

From: Williams, Geoffray
Sent: Monday, September 13, 2008 2:01 PM
To: Fico-admg
Cc: Fico-itgqn-deals; Raiz, Max
Subject: PM: Expected Tranche Trades with GSC on Monday

GSC tranche trades booked in TAP. Also, have information on the ABX trades they did last week. Can you please rename and revert ASAP so we can get to Collateral and have all the trades linked? Thanks.

GS sells 25 mm ABX 06-1 BBB index '913 @ 105-06 - SDEB0133412681
GS sells 15mm ABX 06-1 BBB index '913 @ 105-26 - SDEB01334263

Follow-ups on tranched swaps with GSC / DB Prop / Magnetar; let us know if you have any questions or need anything else:

Strats -- I will send an updated TAP setup file for this portfolio (which is ABACUS 06-11) since this trade will not have any strat level like the protection buy side.

Ops -- can we please discuss how to link GSC’s ABX longs to their tranche shorts when booked so that they receive appropriate margin credit?

Credit -- please note updated sizes that GSC will do in their long/short strategy; can you please refresh the initial margin based on this?

Controllers -- can we please discuss what will be released on Mon?

Drafting -- find a draftconfirm that we have sent to GSC / DB Prop / Magnetar below, we will let you know when we have finalized with GSC / DB Prop / Magnetar.

< File: Draft GSC CDS Confirmation 2006Q3B.doc >

From: Williams, Geoffray

Confidential Treatment Requested by Goldman Sachs

Preliminary Subcommitee on Investigations
Wall Street & The Financial Crisis
Report Footnote #336
Footnote Exhibits - Page 4354

We expect to write protection to GSC on each of the following tranches of all of the static reference portfolio attached below; GSC will pay to GS the premiums detailed below:

$10,625mm of 8.625%-12.875% (Class B) @ 200bps upfront and 100bps running
$6,250mm of 6.125%-6.875% (Class C) @ 200bps upfront and 200bps running
$5,937.5mm of 5.750%-5.125% (Class D) @ 200bps upfront and 400bps running

Against this, GSC has already bought $40mm of ABX.HE.BBB.B-01 from the ABS Trading desk; we need to link this trade to their tranche shorts so that they get margin credit for the long/short.

Other Key Terms:

Trade date: Monday, September 19, 2006
Effective date: Tuesday, September 26, 2006
Protection Seller: [Goldman Sachs International]
Protection Buyer: [GSC entity]
Termination Date: September 26, 2045
Non-Call Period: ends on September 26, 2009
Amortization Type: Modified Sequential

Reference portfolio:

<< File: Bespoke Portfolio 1 2006315.xfa >>

Goldman Sachs

This material has been prepared specifically for you by the Fixed Income Trading Department and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Certain transactions, including those trading future, options and high yield securities, also bear substantial risk and are not suitable for all investors. We, or persons in our firm, may or may not trade in, or have interests in, the securities, assets or contracts referred to in this material. Information contained in this material relating to the trading of securities, futures, options or other instruments and investments denoted with a related to these securities, assets or contracts including, but not limited to, the trading of securities, futures, options or other instruments and investments denoted with a related to these securities, assets or contracts, also bears substantial risk and is not suitable for all investors. Information contained in this material relating to the trading of securities, futures, options or other instruments and investments denoted with a related to these securities, assets or contracts, may be provided by or derived from third parties and may not be complete or correct. We are not responsible for any errors or omissions in such information or for actions taken in reliance thereon.

This material does not constitute an offer to buy, sell, or otherwise recommend any security or financial instrument and is for informational purposes only. This material is not a commitment to make a purchase or sale and is not binding on Goldman Sachs & Co., any of its affiliates or any third parties. This material shall not be used or distributed in connection with any offer in any jurisdiction where such an offer is not permitted. Goldman Sachs International is an investment banking firm and securities and financial services business of The Goldman Sachs Group, Inc. Underwriting or dealing in securities involves a degree of risk. The information contained in this material is correct as of the date of this material, but there may be changes in the information contained in this material without notice. Goldman Sachs International is not under any obligation to update or correct any information contained in this material. Broker-Dealer Services are being offered through Goldman, Sachs & Co., Member SIPC. GSMSB:00094717

Confidential Treatment Requested by Goldman Sachs
Attached are the names/units that our desk would like to trade.

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Deal</th>
<th>Rating</th>
<th>GS Hedge Amount</th>
<th>Amount For Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>14621FT50</td>
<td>APS 2008-WH M9</td>
<td>Baa3</td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>14641GRT1</td>
<td>AESHE 2005-HE4 M9</td>
<td>Baa3</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>14641GW01</td>
<td>AESHE 2006-HE2 M9</td>
<td>Baa3</td>
<td>2,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>14667UUC6</td>
<td>CWL 2006-1 MVH</td>
<td>Baa3</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>148431FV7</td>
<td>CAIRR 2006-DPT1 M8</td>
<td>Baa3</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>408522M94</td>
<td>XIOS 2006-HE2 BZ</td>
<td>Baa3</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>57649F226</td>
<td>MABS 2008-AMZ M8</td>
<td>Baa3</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>59031XAM0</td>
<td>MLMI 2008-PMT1 BZ</td>
<td>Baa2</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>64533YBM8</td>
<td>NCHET 2006-1 M9</td>
<td>Baa3</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>64530YAM7</td>
<td>NCHET 2006-2 M9</td>
<td>Baa3</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>65861IME34</td>
<td>SVHE 2005-201 M8</td>
<td>Baa3</td>
<td>5,000,000</td>
<td>110</td>
</tr>
<tr>
<td>65830PAR3</td>
<td>SASC 2006-NC1 M9</td>
<td>Baa3</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>85381XAM9</td>
<td>SAIL 2008-INC3 M7</td>
<td>Baa2</td>
<td>5,000,000</td>
<td>265</td>
</tr>
</tbody>
</table>

From: Binu, Joshua [mailto:binu.joshua@gppartners.com]
Sent: Monday, October 10, 2006 7:11 PM
To: Bigford, Matthew G.; Lin, Shelly
Cc: Steffen, Edward; Dial, Thomas; Shah, Will
Subject: FW: Book3 (7).xls

Attached pls find the next list of names we wanted to ramp for Husson Mewn. The amount we would like to short into the deal is noted in the GS Hedge amount column. The amount out for bid is noted in the following column (SM - GS Hedge Amount).

We would love if your desk wanted to trade some of the ones we want to hedge as well.

Let us know what your levels are if you want to bid, and if we have approval to trade the names.

Thanks

Josh
<table>
<thead>
<tr>
<th>GSC EJOT BRIDGE MASTER FUND</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>04/01/2005</td>
<td>AHS 2006-VA M3</td>
<td>Back</td>
<td>2,000,000</td>
<td>285</td>
</tr>
<tr>
<td>04/01/2005</td>
<td>ABSHE 2006-HE2 M8</td>
<td>Back</td>
<td>2,000,000</td>
<td>265</td>
</tr>
<tr>
<td>40029MAH4</td>
<td>US 2006-HE5 B3</td>
<td>Back</td>
<td>1,000,000</td>
<td>225</td>
</tr>
<tr>
<td>14622AN00</td>
<td>MAM 2006-FN1 BD</td>
<td>Back</td>
<td>1,000,000</td>
<td>179</td>
</tr>
<tr>
<td>64522XY89</td>
<td>CHET 2006-I M9</td>
<td>Back</td>
<td>1,000,000</td>
<td>275</td>
</tr>
<tr>
<td>8630KPA8</td>
<td>GASC 2008-KC1 M3</td>
<td>Back</td>
<td>1,000,000</td>
<td>240</td>
</tr>
</tbody>
</table>
that is cool

Do you want to do up to $5m? GSC wants to shorten the deal so that the amounts listed below. They'd like to trade the ones they want to hedge with your desk as well. I think they also did this with your desk a few weeks ago.

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Deal</th>
<th>Rating</th>
<th>GSC Hedge Amount</th>
<th>Ant For Bld</th>
</tr>
</thead>
<tbody>
<tr>
<td>04612TSC7</td>
<td>ARSI 2006-W1.56</td>
<td>Bus3</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>04541GQT1</td>
<td>AHEE 2005-H4E M9</td>
<td>Bus3</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>04541GRO1</td>
<td>AHEH 2006-H2E M9</td>
<td>Bus3</td>
<td>2,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>125792ES6</td>
<td>CWL 2006-1 MV6</td>
<td>Bas2</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td>144531FY7</td>
<td>CAHR 2006-OP1 M8</td>
<td>Bas2</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td>06602YAM4</td>
<td>YG 2006-H2 B3</td>
<td>Bas3</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>57645FA85</td>
<td>MAES 2006-AM2 M8</td>
<td>Bas2</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td>59259UAM0</td>
<td>MLM 2005-PM1 B3</td>
<td>Bas2</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>04532VRBD</td>
<td>NCHM 2006-1 M8</td>
<td>Bas2</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>64390YAM7</td>
<td>NCHF 2006-2 M9</td>
<td>Bas2</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td>86614EC4</td>
<td>SYFE 2005-DO1 M8</td>
<td>Bas2</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td>06588FRR2</td>
<td>SASG 2006-NC1 M8</td>
<td>Bas3</td>
<td>1,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>95261KAM9</td>
<td>SAIL 2006-BNC3 M7</td>
<td>Bas2</td>
<td>5,000,000</td>
<td>170</td>
</tr>
</tbody>
</table>
Per the below, this is a materially adverse development. The issues involve inadequate EPD provisions and marks on residuals. The company reports substantial liquidity and the charges are non-cash in nature, but in a confidence sensitive industry it will be ugly even if all problems have been identified.

We have relatively significant exposure - $33mm in prospective losses from EPD claims alone, and $79mm or so in potential exposure, under substantial mortgage warehouse and whole loan trading lines to this entity. With $1.6bn in market cap and $2bn in book equity, they were considered one of the stronger sub-prime originators.

We have a call with the company in a few minutes (to be lead by Dan Sparks) and will follow up with a posting later today on our conclusions and action plan.

Feb. 9 (Bloomberg) -- Shares of New Century Financial Corp., the second-largest home lender to riskier borrowers, plunged 28 percent, the most since October 1996, when the Russian debt crisis was cutting off sales of such loans in securities.

Shares of the Irvine, California-based company tumbled $0.56 to $21.58 at 9:57 a.m. in New York Stock Exchange composite trading. New Century late yesterday said it probably lost money last quarter, will need to restate other 2006 earnings lower, and won't make as many loans this year as it had previously forecast.

Also today, HSBC Holdings PLC announced a management shakeup and changes to lending policies, after saying it was setting aside 20 percent more for bad-loan provisions than analysts had estimated because of rising problems in its U.S. mortgage business. Problems with new subprime loans increased last year as a result of a slumping housing and looser lending standards.

"It's kind of a watershed moment where the magnitude of the problems really are starting to come to the surface," said Brian Honey, general partner at Aurelius Partners LP in New York, which has sold short shares of New Century. "If you could fog a mirror, you could get a loan."

Contributing to New Century's restatement and fourth-quarter loss are repurchases of previously sold loans, the company said. Subprime loan buyers typically can force lenders to buy back the mortgages they sold if borrowers miss their first few payments, any type of fraud is discovered, or the loans otherwise fail to meet the guidelines laid out in a sales contract.
288

Footnote Exhibits - Page 4359

From: Chin, Edwin
Sent: Saturday, February 24, 2007 2:41 PM
To: Swenson, Michael
Subject: RE: Hudson mess

He is right next to me - going through the anderson marks now.

-----Original Message-----
From: Swenson, Michael
Sent: Saturday, February 24, 2007 2:39 PM
To: Chin, Edwin
Subject: RE: Hudson mess

Deb is there right?

----- Original Message ------
From: Chin, Edwin
To: Swenson, Michael
Sent: Sat Feb 24 14:35:59 2007
Subject: RE: Hudson mess

In the office. Will go over it with Markowki.

-----Original Message-----
From: Swenson, Michael
Sent: Saturday, February 24, 2007 12:02 PM
To: Salem, Debb; Chin, Edwin
Cc: Milsbaum, Josh
Subject: Hudson mess

Here is what I am thinking on Hudson mess - we fix the marks that for the huudson mess that
did not get in. I have barrel looking into how to get the spv's to flow downstream through
it to controllers - that would eliminate variance which will get focused on big time.

At the same time mark anderson positions are we facing the warehouse at the right level.

What do you think?

Prefer to have the discussions over the phone.

----- Original Message ----- 
From: Salem, Debb
To: Swenson, Michael; Chin, Edwin
Cc: Milsbaum, Josh
Sent: Sat Feb 24 11:06:01 2007
Subject: RE: Current Anderson Positions

Ben a few quick numbers...average is gonna be north of 800. which would imply a 60mm
wristdown in guessing

-----Original Message-----
From: Swenson, Michael
Sent: Saturday, February 24, 2007 9:40 AM
To: Salem, Debb; Chin, Edwin
Cc: Milsbaum, Josh
Subject: RE: Current Anderson Positions

Confidential Treatment Requested by Goldman

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2320

GS MBS-E-019136137
"Fair" is this better be marked at herbert levels in our book if not and we are forced to
liquidate then on monday we really have no case.

We need to make sure all internal positions are marked appropriately because we will be
asked to let people out of positions over the next few days.

----- Original Message ----- 
From: Swenson, Michael
To: Salem, Deb; Chin, Edwin
Cc: Birnbaum, Josh
Sent: Sat Feb 24 09:27:09 2007
Subject: Pw: Current Anderson Positions

Let's discuss we will need to be fair they are under water big time on this one

----- Original Message ----- 
From: Kibler, Matthew G.
To: Sparks, Daniel L; Ostrem, Peter L; Swenson, Michael; Birnbaum, Josh; Case, Benjamin;
Salem, Deb; Chin, Edwin
Subject: Current Anderson Positions

see attached. $140m out of $300m total are trades between the CDO warehouse and ABS
trading.

<<Anderson WL.xls>>

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See
http://www.gs.com/disclaimers/email-salesandtrading.html for important risk disclosure,
conflicts of interest and other terms and conditions relating to this e-mail and your
reliance on information contained in it. This message may contain confidential or
privileged information. If you are not the intended recipient, please advise us
immediately and delete this message. See http://www.gs.com/disclaimer/email/ for further
information on confidentiality and the risks of non-secure electronic communication. If
you cannot access these links, please notify us by reply message and we will send the
contents to you.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-018936138
Any comments or below before I send to Sal per Dan’s request?

NOTES:

- Each warehouse is marked by either a) MWM on each asset or b) mark to model which involves taking the portfolio through the expected CDO execution and calculating Goldman’s F4, given current market yields on debt and equity. MWM is preferred if CDO execution is highly uncertain or portfolio is small. Both the MWM and the MModel take into account risk sharing arrangements with 3rd parties.

- CDO execution has become more uncertain we have moved a couple warehouses closer to their MWM which has significantly increased our losses. Also, our MModel results have shown losses as expected liability spreads have widened significantly and the overall strength of the CDO market has weakened due to fundamental credit decline in 06/07 in MBS/ CDO subprime (90%+ of assets) and increased correlation between ASX/TAX levels and most debt levels in CDOs. We expect this to result in increased volatility in our warehouse marks for the a while (this series of events have happened quickly within the last month and the correlation is getting closer to 1 as global markets get more familiar with fundamentals in subprime and trading levels in ASX/TAX).

Additional losses have also resulted from the liquidation of 3 warehouses. In each case, the realized loss from the sale of assets has been higher than our MWM or MModel. This is attributable to both volatility in subprime markets and that our competitors are closing their CDO warehouse accounts from buying our subprime or CDO positions. The buyer base has suddenly shrunk significantly. As this continues, we expect this lack of liquidity to further weaken our MWMs and feed into our losses in our remaining warehouse marks.

----- Original Message ----- 
From: Trotten, Peter L 
Sent: Saturday, February 24, 2007 2:25 PM 
To: Case, Benjamin; Swanson, Michael; Rosenblum, David J.; Sparks, Daniel L 
Cc: Lee, Halan J (CF/Controller); Simans, Michael; Laventhal, Robert; Gardea, Kevin; Swanson, Michael; Lehman, David A.; Rosenblum, David J.; Case, Benjamin; Trotten, Peter L; Blumhage, Dan; Nichols, Matthew; Pouraghaghi, Sarah; Pouraghaghi, Cyrus 
Subject: FW: Quarter End Marks 

FYI, I suggest that Swanson, Case and we work together on the CDO all CDO items. Guys, please provide a brief write-up this weekend so allowed and detailed below. I'd like to review each write-up.

Daniel L Sparks
Goldman, Sachs & Co.
(212) 992-2916 (o)
(212) 992-6812 (m)
dan.sparks@gsg.com

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com/disclaimer/email-salesandtrading.html for important risk disclosure, conflicts of interest and other terms and conditions relating to this e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/disclaimer/email/ for further information on confidentiality and the risks of non-secure electronic communication. If you cannot access these links, please notify us by reply message and we will send the

Confidential Treatment Requested by Goldman
contents to you,

From: Fortunato, Salvatore
Sent: Friday, February 25, 2005 10:11 PM
To: Sprague, Daniel L
Cc: Lee, Brian J (PI, Controllers); Simpson, Michael; Leventhal, Robert
Subject: Quarter End Marks

Dan,

Given the magnitude and frequency of market swings over the past few weeks, we'd like to request some assistance from your team with regard to quarter end pricing levels. Specifically, we'd like to get a write-up of the fundamental or quantitative analysis, coupled with the market technicals, that support today's closing levels for general groups of positions (for example, all BBB flats) for the following area's:

- CDO Warehouse (Ostrem)
- CDO Warehouse collapsed (Ostrem)
- Secondary cash positions (Bvanena)
- Subprime whole loans (Nicholas)
- Subprime retained (Nicholas)
- CDO retained (Case)
- Subprime residua (Nicholas)
- 2nds liquidity reserve (Bvanena or Darlush)

This feedback will be extremely helpful for us, especially when you consider how many sectors are affected by the recent market events.

Thanks in advance for supporting this request.

Sal
From: Davilman, Andrew  
Sent: Thursday, May 31, 2007 2:15 PM  
To: Biefer, Matthew G.  
Subject: RE: Anderson Mezz Funding 2007-1 — Final Offering Circular (144a/Rag3) (external)

He knew that we have A1e, A1b and Bm. I'll check, but given the portfolio I suspect he's looking for a cleaner start.

may be interesting for him to look at the A-16's if he's concerned about downgrades. No triggers above the bonds, back-ended cash flow super senior risk (so it's wider than A-16's) but the trigger gets paid pro-rata with the A-16's in the event an OC test fails. Way to pick up wider spread super senior risk which is likely to pay off due to OC test failures/downgrades.

From: Davilman, Andrew  
Sent: Thursday, May 31, 2007 1:57 PM  
To: Davilman, Andrew; Wiesnbecker, Scott; Biefer, Matthew G.; Creed, Christopher J  
Cc: Lehman, David A.  
Subject: RE: Anderson Mezz Funding 2007-1 — Final Offering Circular (144a/Rag3) (external)

Jim Burke's feedback on Anderson. He is in the market for AA and AA cashflow off of new ABS CBO deals. I'll try portion next, tho he isn't fond of the manager.

From: Burke, James [mailto:james.burke3@wachovia.com]  
Sent: Thursday, May 31, 2007 1:38 PM  
To: Davilman, Andrew  
Cc: Burke, James  
Subject: RE: Anderson Mezz Funding 2007-1 — Final Offering Circular (144a/Rag3) (external)

Andy,

We're going to pass on the deal for a number of reasons:

• Two bonds (FMGC 05-3 MB and HAGG 06-NC1 MB) have been downgraded or are on negative watch
• Another 12 bonds in the portfolio are negatively impacted by downgrades lower in the capital structure
• 28% of the portfolio is failing delinquency triggers
• We show that a lot of these bonds will take principal hits
• Not crazy about deal structure give the quality of the portfolio
  o Upon a breach of Class D OCC test, interest is used to pay down Class D notes (I would rather see the A and B notes get paid down)
  o Upon a breach of the Class C OCC test, interest is used to pay down Class A, B, and C pro-rata until 50% factor. (again, I would prefer to see A and B notes get paid off first)
  o If senior tests are in compliance, Class D and C interest shortfalls are paid from principal
  o Pro-rata paydown until 40% factor, not the standard 50%

Confidential Treatment Requested by Goldman

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2331

GS MBS-E-01555085
James Burke  
Head of ABS Investment Management  
Structured Funds Management  
575 Park Ave., New York NY  
work: 212-214-8851  
cell: 917-888-1122  
fax: 212-214-8871  
james.burke1@wachovia.com

Freda Davillman, Andrew [mailto:andrew.davillman@gs.com]
Sent: Thursday, May 31, 2007 9:53 AM
To: Burke, James
Subj: [Anderson Mezzanine Funding 2007-1] Final Offering Circular (144A/RegS) (external)

Jay,

Here is a mess deal we printed in March. We time-tranch the senior AAAa for pay-downs. They are pro-rata for losses. Static portfolio. Levels are:

<table>
<thead>
<tr>
<th>Class</th>
<th>Coupon</th>
<th>DM</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>32</td>
<td>50</td>
</tr>
<tr>
<td>A1B</td>
<td>45</td>
<td>125</td>
</tr>
<tr>
<td>B</td>
<td>175</td>
<td>300</td>
</tr>
</tbody>
</table>

I'll send you the portfolio in Excel format.

<<Anderson Mezzanine Funding 2007-1 OFFERING CIRCULAR With Notice.pdf>>

The attached electronic version of the confidential Offering Circular is for your personal use only. Any reproduction or distribution of the Offering Circular, in whole or in part (including by forwarding of this e-mail to any person), is prohibited. Any disclosure of its contents or use of any information therein for any purpose other than considering an investment in the Securities described therein is also prohibited.

Upon receipt of the paper version of the attached Offering Circular please destroy the electronic version of the Offering Circular attached to this email. By receipt of this email, you agree to the foregoing.

Confidential Treatment Requested by Goldman Sachs  
GS MBS-E-015550858
Anderson Mezzanine Funding 2007-1, Ltd.

Executive Summary

- Anderson Mezzanine Funding 2007-1, Ltd. ("Anderson Funding") is a static $500 million cashflow CDO consisting of a diversified portfolio of RMBS and CDO securities.

- Anderson Funding will be a static, non-managed transaction. Anderson Funding will provide term non-recourse funding. Goldman Sachs will:
  - Warehouse assets during the portfolio aggregation phase prior to closing
  - In its role as Liquidation Agent, Goldman Sachs will liquidate any asset within one year after such asset performs below certain threshold levels determined prior to closing

- The portfolio consists of collateral which is rated at least Baa3 (if rated by Moody's) and BBB- (if rated by S&P) with an average rating of Baa2/Baa3. 100% of the portfolio will be real-estate related securities.

- Low fee structure and less "barbell" portfolio than other mezzanine CDOs in the current market.

- Transaction co-sponsored by Goldman Sachs and GSC Elliot Bridge (an ABS and CDO hedge fund managed by GSC Group).
II. Disclaimer and Risk Factors

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0008653655
Disclaimer

The information contained herein is confidential information regarding securities that may in the future be offered by Andersen Messmer Funding 2007-1, Ltd. ("Andersen Funding," "Andersen") in its "Issuer." The information is being delivered to a limited number of sophisticated institutional investors in order to assist them in determining whether they have an interest in the type of securities described herein and is subject to their further use. By accepting this information, investors, their advisors, their representatives and all other recipients agree to use the information only to evaluate its potential merits and for no other purpose and will not divulge any such information to any other party. Any reproduction or redistribution, in whole or in part, is prohibited. Notwithstanding the foregoing, each recipient and each employee, representative, or other agent of each recipient may disclose to any and all other persons, without limitation of any kind, the tax treatment and tax structure of the Issuer, the securities described herein and any future offering thereof and the ownership and disposition of such securities and all matters of any kind (including written or oral tax statements) that are provided to such recipient relating to such tax treatment and tax structure. However, any such information relating to such tax treatment or tax structure is required to be kept confidential to the fullest extent necessary to comply with any applicable securities laws. For this purpose, the tax treatment of a transaction is the purported or claimed U.S. federal income tax treatment of the transaction.

The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell a substitution of an offer to buy or sell any security or investment or to participate in any trading strategy. The information contained herein is preliminary and material changes in the proposed terms of the offering and the security described herein may occur.

The information contained herein may not be complete or may contain errors or omissions. Andersen Funding, its officers, directors, employees, agents, affiliates, distributors and any other party providing the information contained herein (collectively, "Andersen" or "Issuer") disclaims all liability for any errors or omissions in the information and no warranties, express or implied, including the warranties of merchantability, fitness for a particular purpose or non-infringement, are made in connection with the information.

The securities described herein will not be registered under the Securities Act of 1933, as amended, or any securities laws of any other jurisdiction and neither the Issuer nor the holder of securities held by the Issuer will be required to register under the Investment Company Act of 1940, as amended. The securities offered hereby are not recommended by any United States federal or state securities commission or any other regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. The securities described herein will be subject to certain restrictions or transfers as described in the Offering Circular.

The Issuer, Goldman Sachs & Co., or any of its affiliates, nor any of their respective affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and no representation or warranty is made as to the accuracy or completeness of such representations. Andersen does not guarantee that the information contained herein is complete and accurate as of the date of this document, and Andersen makes no representation or warranty that the information contained herein is complete and accurate. Andersen makes no representation or warranty that any information provided by or on behalf of Andersen is or will be complete and accurate. Andersen makes no representation or warranty that the information provided by or on behalf of Andersen is or will be complete and accurate.

None of the Issuer, Goldman Sachs & Co., or any of their respective affiliates, nor any of their respective affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and no representation or warranty is made as to the accuracy or completeness of such representations. Andersen does not guarantee that the information contained herein is complete and accurate as of the date of this document, and Andersen makes no representation or warranty that the information contained herein is complete and accurate. Andersen makes no representation or warranty that any information provided by or on behalf of Andersen is or will be complete and accurate. Andersen makes no representation or warranty that the information provided by or on behalf of Andersen is or will be complete and accurate.
Disclaimer

HYPOTHETICAL ILLUSTRATIONS AND PRO FORMA INFORMATION

These materials contain statements that are not purely historical in nature. These include, among other things, hypothetical illustrations, sample or pro forma portfolio structures or portfolio composition, scenario analysis of returns and proposed or pro forma levels of diversification or sector investment. These hypothetical illustrations of returns illustrate a range of potential outcomes based upon certain assumptions. Such potential outcomes are not a prediction by the Issuer, Goldman Sachs or their respective affiliates of the performance of the securities described herein. Actual events are difficult to predict, are beyond the control of the Issuer, Goldman Sachs, or their respective affiliates, and actual events may differ from those assumed and such differences may be material. There can be no assurance that actual returns will be realized or materialized of that actual returns or results will not be materially lower than those presented. All statements included are based on information available on the date hereof, and none of the Issuer, Goldman Sachs or their respective affiliates assumes any duty to update any such statement. Some important factors which could cause actual results to differ materially from those in any statements contained herein include the actual composition of the collateral and the price at which such collateral is actually purchased by the Issuer, any defaults on the collateral, the timing of any defaults and subsequent recoveries, changes in interest rates, and any weakening of the specific credits included in the collateral, among others. The Offering Circular will contain other risk factors, which an investor should also consider in connection with an investment in the securities described herein.

PRIOR INVESTMENT RESULTS

Any prior investment results or returns are presented for illustrative purposes only and are not indicative of the future returns on the securities and obligations of the Issuer. Because of portfolio restrictions that apply to the Issuer and differences in market conditions, the investments selected by Goldman Sachs on behalf of the Issuer may differ substantially from prior investments made by Goldman Sachs. The Issuer has no operating history.
Risk Factors

Footnote Exhibits - Page 4372

Risk Factors

Footnote Exhibits - Page 4372
Risk Factors

- Liquidity of collateral assets
  - Some of the collateral assets purchased by the Issuer will have no, or only a limited, trading market. This liquidity may restrict the Issuer's ability to dispose of investments in a timely fashion and for a fair price as well as the ability to take advantage of market opportunities.
  - Liquidated securities may also trade at a discount to comparable, more liquid investments. In addition, the Issuer may invest in privately placed collateral assets that are non-transferable or are transferable only at prices less than the fair value or the original purchase price of the securities.

- Nature of Collateral
  - The Collateral Assets are subject to credit, liquidity and interest rate risk. In addition, the financial performance of the Issuer may be affected by the price and availability of Collateral Assets to be purchased.
  - Some or all of the Collateral Assets may be secured or otherwise subject to restrictions or limitations under the indenture.

- Collateral Manager
  - The Issuer will not engage a Collateral Manager. As a result, the Collateral Assets held by the Issuer on the Closing Date will be retained by the Issuer even if a Collateral Manager is not engaged. The Collateral Manager is required to be engaged by the Issuer before the Collateral Manager can engage in any activities on the Collateral Assets.

- Timing and Amount of Recovery
  - One Collateral Asset that meets the liquidation criteria may be sold. If a Collateral Asset meets the liquidation criteria, the Issuer will be required to sell the asset at the highest price in accordance with the terms of the indenture. The Issuer is required to sell the asset at the highest price in accordance with the terms of the indenture.

- Limited Activities of the Co-Issuer
  - The Issuer will be responsible for any losses incurred in the management of the Collateral Assets. The Issuer will also be responsible for any losses incurred in the management of the Collateral Assets.

- Investment of Credit Quality and Defaults on the Collateral
  - Decline in credit quality of the Collateral could result in losses which would adversely affect the Issuer's financial condition. The Issuer may experience losses in the event of defaults or other events affecting the credit quality of any of the Collateral.

- Yield Due to Prepayments
  - The yield to maturity on the Issuer Notes could be affected by the rate of prepayment of the Collateral Assets. Payments to the Issuer Notes at a rate slower than the rate anticipated by investors purchasing the Issuer Notes at a discount will result in an actual yield that is lower than anticipated by investors. Conversely, payments to the Issuer Notes at a rate faster than the rate anticipated by investors purchasing the Issuer Notes at a premium will result in an actual yield that is lower than anticipated by investors.
Risk Factors

- **Investment Decisions**
  - In making an investment decision, investors must rely on consultations with their own legal, accounting and audit advisors to determine whether and to what extent they should invest in the Notes or the Income Notes.

- **Change in the Rate of Interest Paid on the Notes**
  - There will be a base and forgoing interest between the Notes and the collateral assets, since the interest rates on such collateral assets may adjust more frequently or less frequently, on different dates and based on different indices, than the interest rates on the Notes. The fixed rate and the margin over LIBOR on other floating-rate assets or collateral assets may be lower than those on solid or amortized collateral assets which could cause a significant decline in interest earnings for the Notes.

- **If the Issuer may enter into collateral swap agreements to limit exposure to this risk, but no assurance can be given that such collateral swap agreements will be executed or will be successful in reducing the exposure to this risk. However, there may be a termination payment related to one or more collateral swap agreements in the event of a redemption of the Notes prior to the expiration of the collateral swap agreement.**

- **Credit Exposure to Portfolios of Reference Obligations**
  - On the closing date, the Issuer will enter into pay-as-you-go credit default swaps (the "Synthetic Securities") with Goldman Sachs International, ("GS") and to such company, the "Counterparty", pursuant to which the Issuer will sell credit default protection with respect to a portfolio of Reference Obligations. In a credit event occurs with respect to any of the Reference Obligations, the Issuer will pay the Counterparty the amount of the default in principal, plus, if the Counterparty elects to deliver the reference obligation, the notional amount of the Synthetic Security (the "Reference Price"). In return for the credit default protection, the Counterparty will pay the Issuer a premium which may be related (but not below par) to certain Reference Obligations experience interest rates. Credit events and interest rate changes may affect the Issuer's ability to make payments on the Notes and the Income Notes.

- **All Notes and Income Notes are subordinated to credit default protection payments under the Synthetic Securities and to certain termination payments made in the Counterparty in connection with a termination event. The magnitude of such issues will be affected by the number of credit events and the recovery amount of any deluded Reference Obligations and timing of such credit events.**

- **Nature of Reference Obligations**
  - The Reference Obligations are expected to consist of RMBS and CDO securities. The Reference Obligations are subject to the credit, market, structural, legal, prepayment and interest rate risks associated with RMBS and CDO securities, respectively. The economic return on the Synthetic Securities will depend substantially upon the performance of the related Reference Obligation.

- **Termination of the Synthetic Securities**
  - Pursuant to the Synthetic Securities, the Issuer or the Counterparty will have the right to terminate the Synthetic Securities in specified circumstances. In such event, the Issuer may be required to make substantial termination payments to the Counterparty and such payments would reduce the amounts available to make payments on the Notes and the Income Notes. In such event, the Issuer may not have sufficient funds to make payments when due on the Notes and Income Notes and may not have sufficient funds to redeem the Notes and Income Notes.

- **Credit Exposure to Counterparty**
  - The ability of the Issuer to meet its obligations under the Secured Notes and the Income Notes will be dependent on its receipt of payments from the Counterparty under the Synthetic Securities. Consequently, the performance of the Collateral Obligations will also affect the performance of the Counterparty to perform its obligations under the Synthetic Securities. The performance of the Counterparty or a default by the Counterparty would adversely affect the ability of the Issuer to pay principal when due under the Secured Notes and make distributions on the Income Notes and could result in a withdrawal or downgrade of the ratings on the Secured Notes.
Risk Factors

Tax Treatment of Income Notes
- Since the issuer will be a passive foreign investment company, U.S. persons holding Income Notes may be subject to additional taxes unless it elects to treat the issuer as a passive foreign electrical grid and to recognize currently its proportionate share of the issuer's income. The issuer has agreed, and to its acceptance of an Income Note, each holder of an Income Note will be deemed to have agreed, to treat the Income Notes as equity for tax purposes.

- Income Note holders should consult their tax advisors about the special U.S. tax regimes that apply to shareholders of passive foreign investment companies and controlled foreign corporations.

- Special tax considerations may apply to certain types of investors. Prospective investors should consult their tax advisors regarding the tax implications of their investment.

Subordination
- The Income Notes are subordinated to the Class S, Class A, Class B, Class C and Class D Notes and certain payments of expenses. The Class D Notes are subordinated to the Class B, Class C and Class A Notes and certain payments of expenses. The Class C Notes are subordinated to the Class S, Class B and Class D Notes and certain payments of expenses. The Class B Notes are subordinated to the class S Notes. Class A Notes and certain payments of expenses. The subordination of interest payments received on the collateral will be made to the Income Notes until interest on the Secured Notes and certain other expenses have been paid. In addition, in the event of default, holders of the most senior class of Secured Notes will generally be entitled to determine the remedies to be exercised; such remedies could include the sale and the liquidation of the collateral and have an adverse effect on the Income Notes. The Income Notes will not be able to exercise any remedies following an event of default and will not receive payments after an event of default until the Secured Notes are paid in full.

Impairment of Credit Quality and Defaults on the Collateral Assets
- Decline in credit quality of the collateral or defaults could result in losses which would adversely affect the Notes and the Income Notes.

- There may be certain incidents or events concerning the CDO, all of which could have a material adverse impact on the Notes and the Income Notes in the event of economic downturn or other events affecting the credit quality of any of the collateralized.

Redemption of Class S, A-1, A-2, B, C, and D Notes
- If certain overcollateralization or internal coverage tests are not met, redemptions of the Class S, A-1, A-2, B, C, and D Notes would be required, which may affect the yields on more subordinated classes of notes and the Income Notes and will be paid from amounts which otherwise will be available for payment to holders of the Income Notes.

- Mandatory redemption could result in an elimination, deferral or reduction in the amount paid to the Income Notes, which would adversely and materially affect their returns.

Auction of the Collateral Assets
- There can be no assurance that an auction of the collateral assets will be successful; a successful auction will shorten the duration of the Notes and the Income Notes and is not required to result in any proceeds for distribution to the holders of the Income Notes.
Footnote Exhibits - Page 4376

Risk Factors

- Timing of receipt of Accrued Interest Income.
- On an ongoing basis, the receipt by the issuer of accrued interest income may affect the availability of cash which may be distributed to the Holders of Senior Notes and Income Notes.

- International Investing
  - Investing outside the U.S. may involve greater risk which may include (1) less publicly available information, (2) varying levels of governmental regulation and supervision, (3) the difficulty of enforcing legal rights in a foreign jurisdiction and uncertainties as to the receipts, interpretation and application of laws, (4) less diligent accounting practices, (5) different clearance and settlement procedures, (6) economic and political conditions and instability, (7) exchange control and foreign currency risk, (8) insolvency and (9) repatriation risk.
  - A portion of the Collateral Assets may instead of obligations of an Issuer organized under the laws of the Bahamas, Bermuda, the Cayman Islands, the Channel Islands, the Netherlands Antilles or other jurisdictions offering favorable tax treatment.

- Tax Treatment of Income Notes
  - Since the Issuer will be a passive foreign investment company, U.S. persons holding Income Notes may be subject to additional taxes unless it elects to treat the Issuer as a qualified electing fund and to recognize currently the proportionate share of the Issuer's income. The Income Notes will be treated as qualifying for the availability of the deferral of taxes under Sect 881.
  - Income Notes holders should consult their tax advisors about the special U.S. tax effects that apply to shareholders of passive foreign investment companies, combined foreign corporations and foreign personal holding companies.
  - Special tax considerations may apply to certain types of investors. Prospective investors should consult their own tax advisors regarding the tax implications of their investments.

- National Tax Considerations
  - There is a possibility that the Issuer will be found to be engaging in U.S. trade or business. In such a case, it would be subject to substantial U.S. income tax on its income.

- Hypothetical Illustrations and Estimates
  - Estimates of the weighted average lives of the Class A, B, C and D Notes and the returns and duration of the Income Notes included herein, together with any other hypothetical illustrations and estimates provided to prospective purchasers of the Class A, B, C and D Notes, are forward-looking statements. See "Hypothetical Illustrations and Pro Forma Information" on Disclaimer page in the beginning of this book.
  - The hypothetical illustrations are only estimates. Actual results may vary, and the variations may be material. See "Hypothetical Illustrations and Pro Forma Information" on Disclaimer page in the beginning of this book.

- Changes in Tax Law
  - The Collateral Assets may not be permitted to be used for withholding tax at the time of purchase, unless the Issuer therefor is required to make "make-up" payments. There can be no assurance that, as a result of any change in any applicable law, treaty, rule or regulation or interpretation thereof, the payments on the collateral might not in the future become subject to withholding tax which could adversely affect the amounts that would be available to make payments on the Income Notes and Senior Notes.
  - In case of a Withholding Tax Event (as defined in the Offering Circular), holders of more than 50% of any affected Note may require the Issuer to liquidate the collateral on any Payment Date, and redeem the Class A, B, C and D Notes, prior to any distributions to holders of Income Notes.
Risk Factors

- Anti Money Laundering Policies
  - Uniting and Strengthening America by Providing Appropriate Tools Required to Interdict and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), signed into law on an urgent effective date of October 26, 2001, imposes anti-money laundering obligations on different types of financial institutions, including banks, broker-dealers, and investment companies. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "Treasury") to prescribe regulations to define the types of investment companies subject to the USA PATRIOT Act and the related anti-money laundering obligations. It is not clear whether Treasury will require entities such as the Issuer to adopt anti-money laundering policies. It is possible that Treasury will promulgate regulations requiring the Issuer to adopt anti-money laundering policies. In connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to the Issuer and/or the Income Notes. Such regulations and the Issuer will require the Issuer to implement additional restrictions on the beneficial ownership of the Notes and/or the Issuer Notes. As may be required, the Issuer reserves the right to limit such information and take such actions as are necessary to enable it to comply with the USA PATRIOT Act.

- Investment Company Act
  - Neither the Issuer, nor any of its officers or directors, has registered as an investment company pursuant to the Investment Company Act. The Issuer has not so registered in reliance on an exception for Investment companies organized under the laws of a jurisdiction other than the United States whose investors resident in the United States are solely Qualified Purchasers and which do not make a public offering of their securities in the United States. Counsel for the Issuer will advise, in connection with the sale of the Notes by the Initial Purchasers, that neither the Issuer nor the Co-Issuer is an investment company required to be registered under the Investment Company Act (pursuant, for the purposes of such registration, to the requirements set forth by the Initial Purchaser in accordance with the terms of the Purchase Agreement). No opinion or no-action letter has been requested of the SEC.

- ERISA Regulations
  - Investors should review the "ERISA Considerations" section of the Offering Circular to determine their eligibility to hold the Notes and the Income Notes for purposes of the ERISA restrictions. Prospective investors should consult their own advisors regarding the ERISA-related implications of their investments.

- European Securities Regulations
  - The listing of Notes or Income Notes on any European Union stock exchange would subject the Issuer to regulation under certain European regulations, although the requirements applicable to the Issuer are not yet fully clarified. The Issuer will not require the Issuer to apply for, list or maintain a listing for any Class of Notes or Income Notes on a European Union stock exchange. If compliance with these regulations becomes burdensome, the legal status of the Notes or Income Notes may be negatively impacted.

- Material Tax Considerations
  - The Issuer does not expect it to be subject to net income taxation in the United States. If the Issuer were treated as engaged in a United States trade or business, it would be subject to substantials U.S. income tax on its income.
Anderson Mezzanine Funding 2007-1, Ltd.
Transaction Overview

- Anderson Mezzanine Funding is a static mezzanine structured product CDO with the following features:
  - No exposure to reinvestment spread risk or reliance on reinvestment to generate excess interest to cover debt service
  - No fixed rate assets
  - No assets without an initial rating of at least Baa3 by Moody's and BBB- by S&P. Average WARP in the portfolio is expected to be 500
  - Overall fee structure is significantly less than comparable mezzanine structured product CDOs in the market

- There will be no reinvestment, substitution, discretionary trading or discretionary sales. After closing, assets that are determined to be "credit risk" securities will be sold by the Liquidation Agent within one year of such determination

- Goldman Sachs will act as Structuring, Placement and Liquidation Agent for Anderson Funding and will warehouse the portfolio prior to closing
  - Goldman Sachs will receive 5 bps ongoing fee for its role as Liquidation Agent

- Portfolio selection process:
  - Assets sourced from the Street at then market levels
  - Assets pre-screened and evaluated for portfolio suitability
  - Goldman Sachs CDO desk reviews individual assets in conjunction with respective mortgage trading desks
  - All CDS use rating agency approved confirms (pay as you go)
Anderson Mezzanine Funding 2007-1, Ltd.
Transaction Overview - Asset Selection / Asset Liquidation

- Portfolio Aggregation Strategy:
  - Select only assets rated explicitly Baa3/BBB- (Moody’s / S&P) and above. No notched rating of below Baa3 in the portfolio
  - No Fixed rate assets allowed, eliminating fixed/ floating basis mismatch
  - Maximum obligor concentration is 1.5%, creating a very granular portfolio with 100 distinct obligors
  - Target portfolio with Weighted Average Rating Factor of [475] and duration weighted average spread of [205] bps

- Goldman Sachs, as Liquidation Agent, will liquidate any asset determined to be a "credit risk" asset within 12 months of such determination. "Credit risk" assets will include:
  - Any asset downgraded by Moody’s or S&P to below B3 or B-
  - Any asset that is defaulted and experiences a credit event as defined by the PAUG confirm

- Expected collateral quality statistics at closing
  - WARF: [475]
  - [100] Distinct Obligors
  - Moody’s Asset Correlation ("MAC") at closing: [26]
  - Duration weighted average portfolio spread: [205] bps
  - Weighted Average Duration: 3.1 years
## Anderson Mezzanine Funding 2007-1, Ltd.
### Transaction Overview - Capital Structure

<table>
<thead>
<tr>
<th>Classes</th>
<th>Ratings (Moody’s/S&amp;P)</th>
<th>Principal Balance</th>
<th>% of Capital Structure</th>
<th>Coupon</th>
<th>Expected WAL</th>
<th>Initial CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class S</td>
<td>Aaa/AAA</td>
<td>$[000.0] MM</td>
<td>N/A</td>
<td>1M LIBOR + [ ] %</td>
<td>[3.0]</td>
<td>N/A</td>
</tr>
<tr>
<td>Class A-1</td>
<td>Aaa/AAA</td>
<td>$[300.0] MM</td>
<td>[60.00]%</td>
<td>1M LIBOR + [ ] %</td>
<td>[3.7]</td>
<td>[166.7]%</td>
</tr>
<tr>
<td>Class A-2</td>
<td>Aaa/AAA</td>
<td>$[75.0] MM</td>
<td>[15.00]%</td>
<td>1M LIBOR + [ ] %</td>
<td>[3.7]</td>
<td>[133.3]%</td>
</tr>
<tr>
<td>Class B</td>
<td>Aaa/AAA</td>
<td>$[55.0] MM</td>
<td>[11.00]%</td>
<td>1M LIBOR + [ ] %</td>
<td>[4.5]</td>
<td>[116.3]%</td>
</tr>
<tr>
<td>Class C</td>
<td>A2/A</td>
<td>$[25.0] MM</td>
<td>[5.00]%</td>
<td>1M LIBOR + [ ] %</td>
<td>[4.8]</td>
<td>[109.8]%</td>
</tr>
<tr>
<td>Class D</td>
<td>Baa2/BBB</td>
<td>$[27.0] MM</td>
<td>[5.40]%</td>
<td>1M LIBOR + [ ] %</td>
<td>[4.3]</td>
<td>[103.7]%</td>
</tr>
<tr>
<td>Income Notes</td>
<td>NR</td>
<td>$[18.0] MM</td>
<td>[3.60]%</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

---

*This information is preliminary and subject to change.*
Anderson Mezzanine Funding 2007-1, Ltd.
Structural Overview

- Anderson Mezzanine Funding is a cashflow CDO with:
  - A fully issued capital structure
  - Traditional overcollateralization tests

- Structure has the ability to tailor average life profile of senior tranches upon investor request

- Class A-1 Notes may be issued either in funded form or as an unfunded swap, depending on investor preference

- The deal will use a "modified sequential" principal paydown structure

- No Minimum Income Note IRR required to effect an auction call
  - Increases the likelihood of a successful auction call or optional redemption
  - Mitigated the back ended pressure on transaction as costs of financing increases

- Turbo to Class D Notes from excess interest shortens the tranche's expected average life
Transaction Details

General Information

Issuers: Anderson Mezzanine Funding 2007-1, Ltd. and Anderson Mezzanine Funding 2007-1, Corp.

Liquidation Agent, Structuring and Placement Agent: Goodman, Sachs & Co.

Liquidation Agent Fee: 5 bps per annum payable senior to all the Notes (other than the Class B Notes).

Reinvestment Period: None.

Discretionary Trading: None. Liquidation Agent will sell credit-risk assets based on pre-determined rules and the clean proceeds will be treated as principal payments.

Ramp-Up Period: None. Transaction will be completely ramped at closing.

Non-Call Period: 3 years.

Auction Call: 9 years. There is no minimum IRR requirement for successful Auction Call.


Payment Frequency: Monthly for Class B, A-1, A-2, B, C and D Notes, Quarterly for Income Notes.

Controlling Class: Class B and Class A Notes (the "Senior Notes") voting in the aggregate until paid in full, then Class B, Class C and Class D Notes in that order until each Class is paid in full.
IV. Portfolio Composition and Highlights

Note: The information in this section is preliminary and subject to change.
Footnote Exhibits - Page 4385

Portfolio Composition

Target Portfolio

Credit Ratings

Collateral

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000855371
## Transaction Details

**Target Collateral Profile**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's WARF</td>
<td>(475)</td>
</tr>
<tr>
<td>Moody's Asset Correlation</td>
<td>(26)%</td>
</tr>
<tr>
<td>Ratings Profile</td>
<td>100% of the assets are rated at least Ba3 and BBB- by Moody's and S&amp;P</td>
</tr>
<tr>
<td>Target Obligor Concentration Profile</td>
<td>Maximum Obligor concentration: (1.5%)</td>
</tr>
<tr>
<td>Collateral Haircuts for</td>
<td></td>
</tr>
<tr>
<td>Overcollateralization Tests</td>
<td></td>
</tr>
<tr>
<td>10% applied to Double-B Assets prior to sale</td>
<td></td>
</tr>
<tr>
<td>20% applied to Single-B Assets prior to sale</td>
<td></td>
</tr>
<tr>
<td>50% applied to Triple-B Assets prior to sale</td>
<td></td>
</tr>
<tr>
<td>100% applied to Defaulted Obligations</td>
<td></td>
</tr>
</tbody>
</table>

---

*This information is preliminary and subject to change.*
### Transaction Overview

**Current Warehouse Statistics**

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Warehouse Size</td>
<td>$305.6 mm</td>
</tr>
<tr>
<td>VAFL</td>
<td>506</td>
</tr>
<tr>
<td>Moody's Correlation</td>
<td>27%</td>
</tr>
<tr>
<td>VaR</td>
<td>2.00%</td>
</tr>
<tr>
<td>Number of Obligors</td>
<td>61</td>
</tr>
<tr>
<td>Moody’s WA Recovery Rate</td>
<td>25.0%</td>
</tr>
<tr>
<td>S&amp;P AAA WA Recovery Rate</td>
<td>30.9%</td>
</tr>
<tr>
<td>S&amp;P AA WA Recovery Rate</td>
<td>35.7%</td>
</tr>
<tr>
<td>S&amp;P A WA Recovery Rate</td>
<td>41.1%</td>
</tr>
<tr>
<td>S&amp;P BBB WA Recovery Rate</td>
<td>46.8%</td>
</tr>
<tr>
<td>S&amp;P BB WA Recovery Rate</td>
<td>52.0%</td>
</tr>
<tr>
<td>% Fixed</td>
<td>0.0%</td>
</tr>
<tr>
<td>% Floating</td>
<td>100.0%</td>
</tr>
<tr>
<td>% Cash</td>
<td>1.8%</td>
</tr>
<tr>
<td>% Synthetic</td>
<td>98.4%</td>
</tr>
</tbody>
</table>

**Vintage Breakdown of RMBS Assets**

- **2006 Vintage**
  - 36%
- **2006 Vintage**
  - 64%

---

1. Represents the current portfolio as of February 22, 2007. Goldman Sachs does not represent or provide any assurance that the actual portfolio on the Closing Date or any future date will have the same characteristics as provided above.
# Loan-Level Characteristics of RMBS Assets

<table>
<thead>
<tr>
<th>Bloomberg Ticket</th>
<th>Issue Date</th>
<th>Cur. Rate</th>
<th>Cur. Net WAC</th>
<th>DOG</th>
<th>LTV</th>
<th>GSE Act</th>
<th>GSE 2 Abs</th>
<th>Fixed</th>
<th>First</th>
<th>Last</th>
<th>Vac</th>
<th>Punch</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACR 05-2 MB</td>
<td>3/20/2009</td>
<td>12</td>
<td>7.23</td>
<td>613</td>
<td>78</td>
<td>CA 10%</td>
<td>FL 13%</td>
<td>33.0</td>
<td>100.0</td>
<td>7.6</td>
<td>33.2</td>
<td></td>
</tr>
<tr>
<td>HASC 06-OP12 MB</td>
<td>2/27/2009</td>
<td>15</td>
<td>6.91</td>
<td>610</td>
<td>82</td>
<td>CA 30%</td>
<td>FL 13%</td>
<td>24.5</td>
<td>100.0</td>
<td>6.0</td>
<td>49.5</td>
<td></td>
</tr>
<tr>
<td>MILB 08-HE1 B2A</td>
<td>3/7/2008</td>
<td>15</td>
<td>2.91</td>
<td>817</td>
<td>79</td>
<td>CA 22%</td>
<td>TX 10%</td>
<td>43.7</td>
<td>98.7</td>
<td>31.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSAC 05-NC1 B2</td>
<td>2/25/2005</td>
<td>26</td>
<td>7.42</td>
<td>617</td>
<td>79</td>
<td>CA 22%</td>
<td>TX 10%</td>
<td>43.7</td>
<td>98.7</td>
<td>6.6</td>
<td>31.3</td>
<td></td>
</tr>
<tr>
<td>NCHET 02-2 MB</td>
<td>4/22/2002</td>
<td>21</td>
<td>7.95</td>
<td>623</td>
<td>78</td>
<td>CA 32%</td>
<td>FL 9%</td>
<td>24.0</td>
<td>100.0</td>
<td>8.8</td>
<td>35.8</td>
<td></td>
</tr>
<tr>
<td>AAMC 05-PM1 MB</td>
<td>2/25/2005</td>
<td>15</td>
<td>6.91</td>
<td>620</td>
<td>82</td>
<td>CA 30%</td>
<td>FL 13%</td>
<td>24.5</td>
<td>100.0</td>
<td>6.0</td>
<td>49.5</td>
<td></td>
</tr>
<tr>
<td>MILB 05-HE1 B2A</td>
<td>3/7/2008</td>
<td>15</td>
<td>2.91</td>
<td>817</td>
<td>79</td>
<td>CA 22%</td>
<td>TX 10%</td>
<td>43.7</td>
<td>98.7</td>
<td>6.6</td>
<td>31.3</td>
<td></td>
</tr>
<tr>
<td>MSAC 06-NC1 B3</td>
<td>12/27/2006</td>
<td>15</td>
<td>6.73</td>
<td>622</td>
<td>78</td>
<td>CA 37%</td>
<td>FL 11%</td>
<td>24.0</td>
<td>100.0</td>
<td>7.6</td>
<td>38.1</td>
<td></td>
</tr>
<tr>
<td>NCHET 05-1 MB</td>
<td>2/25/2005</td>
<td>24</td>
<td>6.93</td>
<td>620</td>
<td>82</td>
<td>CA 32%</td>
<td>FL 8%</td>
<td>26.0</td>
<td>100.0</td>
<td>8.0</td>
<td>58.4</td>
<td></td>
</tr>
<tr>
<td>NCHET 05-2 MB</td>
<td>3/4/2005</td>
<td>20</td>
<td>6.50</td>
<td>630</td>
<td>78</td>
<td>CA 32%</td>
<td>FL 8%</td>
<td>22.0</td>
<td>100.0</td>
<td>8.2</td>
<td>41.3</td>
<td></td>
</tr>
<tr>
<td>RAMP 05-EC05 MB</td>
<td>11/27/2005</td>
<td>15</td>
<td>6.52</td>
<td>622</td>
<td>82</td>
<td>CA 15%</td>
<td>FL 7%</td>
<td>14.2</td>
<td>100.0</td>
<td>1.8</td>
<td>43.7</td>
<td></td>
</tr>
<tr>
<td>NCHET 05-2 MB</td>
<td>8/17/2005</td>
<td>18</td>
<td>6.58</td>
<td>629</td>
<td>81</td>
<td>CA 39%</td>
<td>FL 6%</td>
<td>21.8</td>
<td>100.0</td>
<td>8.6</td>
<td>44.0</td>
<td></td>
</tr>
<tr>
<td>CMLT 05-OP12 MB</td>
<td>7/7/2005</td>
<td>21</td>
<td>6.92</td>
<td>613</td>
<td>78</td>
<td>CA 19%</td>
<td>FL 10%</td>
<td>21.0</td>
<td>100.0</td>
<td>6.7</td>
<td>33.1</td>
<td></td>
</tr>
<tr>
<td>GSAMP 06-AC2 MB</td>
<td>6/26/2006</td>
<td>8</td>
<td>7.70</td>
<td>626</td>
<td>80</td>
<td>CA 20%</td>
<td>FL 11%</td>
<td>13.0</td>
<td>100.0</td>
<td>9.2</td>
<td>43.7</td>
<td></td>
</tr>
<tr>
<td>HASC 06-OP11 MB</td>
<td>2/27/2006</td>
<td>15</td>
<td>6.68</td>
<td>644</td>
<td>79</td>
<td>CA 30%</td>
<td>NY 10%</td>
<td>32.2</td>
<td>100.0</td>
<td>9.8</td>
<td>35.2</td>
<td></td>
</tr>
<tr>
<td>HASC 06-NC1 MB</td>
<td>3/17/2006</td>
<td>16</td>
<td>6.89</td>
<td>650</td>
<td>82</td>
<td>CA 43%</td>
<td>FL 7%</td>
<td>0.0</td>
<td>100.0</td>
<td>3.5</td>
<td>50.3</td>
<td></td>
</tr>
<tr>
<td>JPMAC 06-HE1 MB</td>
<td>3/29/2006</td>
<td>15</td>
<td>7.38</td>
<td>641</td>
<td>73</td>
<td>CA 48%</td>
<td>IL 11%</td>
<td>19.5</td>
<td>100.0</td>
<td>7.5</td>
<td>64.1</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bloomberg, Intra, Prospectuses, Data as of February 22, 2007
## Loan-Level Characteristics of RMBS Assets

<table>
<thead>
<tr>
<th>Bloomberg Ticket</th>
<th>Issued Date</th>
<th>Current $WALA</th>
<th>Current $WAV</th>
<th>Price $CDO</th>
<th>LTV</th>
<th>Over 1st</th>
<th>Over 2nd</th>
<th>Forced</th>
<th>First</th>
<th>Vac</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>FALT 1/2006 N6B</td>
<td>6/30/2006</td>
<td>7.67</td>
<td>627</td>
<td>78</td>
<td>CA 20%</td>
<td>FL 15%</td>
<td>10.3</td>
<td>100.0</td>
<td>4.4</td>
<td>52.2</td>
<td></td>
</tr>
<tr>
<td>SAFF 2006-FR1 62</td>
<td>6/30/2006</td>
<td>7.91</td>
<td>619</td>
<td>75</td>
<td>CA 25%</td>
<td>FL 17%</td>
<td>11.8</td>
<td>100.0</td>
<td>5.8</td>
<td>47.1</td>
<td></td>
</tr>
<tr>
<td>WNAIIS 2006-HE2 M9</td>
<td>5/25/2006</td>
<td>7.75</td>
<td>628</td>
<td>76</td>
<td>CA 36%</td>
<td>FL 14%</td>
<td>15.4</td>
<td>100.0</td>
<td>3.4</td>
<td>63.3</td>
<td></td>
</tr>
<tr>
<td>SVNI 2006-CPT2 M7</td>
<td>6/7/2006</td>
<td>8.07</td>
<td>622</td>
<td>79</td>
<td>CA 25%</td>
<td>FL 13%</td>
<td>10.9</td>
<td>100.0</td>
<td>10.9</td>
<td>30.8</td>
<td></td>
</tr>
<tr>
<td>CVBL 2003-BC1 B</td>
<td>12/29/2005</td>
<td>8.33</td>
<td>620</td>
<td>78</td>
<td>CA 23%</td>
<td>FL 10%</td>
<td>11.9</td>
<td>100.0</td>
<td>2.3</td>
<td>35.3</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bloomberg, Ticker, Prospectives, Data as of February 22, 2007

---

**Note:** The table above provides loan-level characteristics of various RMBS assets. Each row represents a different asset with details such as Bloomberg ticket, issuance date, current $WALA, current $WAV, price $CDO, LTV, and various percentages indicating the status of the loans.
### Loan-Level Characteristics of RMBS Assets

<table>
<thead>
<tr>
<th>Issuer/Tranche</th>
<th>Primary Sponsor</th>
<th>Current</th>
<th>Orig.</th>
<th>Bankrupt</th>
<th>RED</th>
<th>Foreclosure</th>
<th>Delinquency</th>
<th>Loans Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADR 2006-2 MB</td>
<td>Accredited</td>
<td>3.7</td>
<td>1.0</td>
<td>0.3</td>
<td>0.7</td>
<td>2.6</td>
<td>2.0</td>
<td>0.9</td>
</tr>
<tr>
<td>HASC 2006-CPT7 MB</td>
<td>OptionOne</td>
<td>7.2</td>
<td>5.4</td>
<td>0.5</td>
<td>0.5</td>
<td>3.8</td>
<td>3.7</td>
<td>2.1</td>
</tr>
<tr>
<td>MLE 2006-HE1 BGA</td>
<td>Waypoint</td>
<td>6.6</td>
<td>8.8</td>
<td>1.2</td>
<td>1.3</td>
<td>3.0</td>
<td>5.2</td>
<td>4.4</td>
</tr>
<tr>
<td>MSAC 2005-NC1 B3</td>
<td>HomeEquity</td>
<td>13.4</td>
<td>4.5</td>
<td>2.7</td>
<td>2.5</td>
<td>4.0</td>
<td>3.4</td>
<td>2.6</td>
</tr>
<tr>
<td>NCHET 2005-2 MB</td>
<td>NewCentury</td>
<td>8.8</td>
<td>4.4</td>
<td>1.5</td>
<td>1.5</td>
<td>4.0</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>MSAC 2006-NC1 B3</td>
<td>HomeEquity</td>
<td>6.1</td>
<td>4.4</td>
<td>1.0</td>
<td>1.5</td>
<td>2.9</td>
<td>3.8</td>
<td>1.8</td>
</tr>
<tr>
<td>NCHET 2005-2 MB</td>
<td>NewCentury</td>
<td>7.8</td>
<td>3.2</td>
<td>2.6</td>
<td>1.8</td>
<td>4.4</td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>NCHET 2005-3 MB</td>
<td>NewCentury</td>
<td>7.2</td>
<td>4.2</td>
<td>1.3</td>
<td>1.3</td>
<td>3.9</td>
<td>3.2</td>
<td>2.8</td>
</tr>
<tr>
<td>RAMP 2005-PC1 M9</td>
<td>HomeCorrings</td>
<td>3.9</td>
<td>3.1</td>
<td>0.7</td>
<td>1.1</td>
<td>3.7</td>
<td>4.2</td>
<td>3.5</td>
</tr>
<tr>
<td>NCHET 2005-4 MB</td>
<td>NewCentury</td>
<td>9.5</td>
<td>6.0</td>
<td>1.4</td>
<td>1.8</td>
<td>4.3</td>
<td>2.8</td>
<td>3.1</td>
</tr>
<tr>
<td>GCMS 2006-1 MB</td>
<td>OptionOne</td>
<td>7.7</td>
<td>4.3</td>
<td>1.4</td>
<td>2.0</td>
<td>4.2</td>
<td>3.7</td>
<td>2.2</td>
</tr>
<tr>
<td>GUSMP 2009-AC2 MB</td>
<td>Down</td>
<td>3.7</td>
<td>3.1</td>
<td>0.4</td>
<td>0.0</td>
<td>5.0</td>
<td>4.8</td>
<td>4.0</td>
</tr>
<tr>
<td>HASC 2006-CPT7 MB</td>
<td>OptionOne</td>
<td>5.0</td>
<td>3.8</td>
<td>0.6</td>
<td>0.8</td>
<td>3.0</td>
<td>2.2</td>
<td>1.1</td>
</tr>
<tr>
<td>MLE 2008-HE1 BGA</td>
<td>Chase</td>
<td>3.1</td>
<td>2.4</td>
<td>0.5</td>
<td>0.5</td>
<td>2.7</td>
<td>3.2</td>
<td>1.0</td>
</tr>
<tr>
<td>JPMAC 2006-HE1 MB</td>
<td>Chase</td>
<td>6.9</td>
<td>5.1</td>
<td>0.5</td>
<td>1.0</td>
<td>6.1</td>
<td>5.6</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Source: Bloomberg, IHS, Phespect; Data as of February 22, 2007

---

*Note: The table above provides a snapshot of loan-level characteristics for various RMBS assets. The data includes metrics such as current, origination, bankrupt, RED, foreclosure, delinquency, and remaining loans. The specific values and calculations can vary based on the underlying data and methodology used.*
### Loan-Level Characteristics of RMBS Assets

<table>
<thead>
<tr>
<th>Bloomberg Token</th>
<th>Facility Service</th>
<th>Current</th>
<th>Specialized</th>
<th>Bankrupt</th>
<th>REO</th>
<th>Foreclosure</th>
<th>Doubling</th>
<th>Doubling</th>
<th>Doubling</th>
</tr>
</thead>
<tbody>
<tr>
<td>FBNM 2006-B MB</td>
<td>Frenord</td>
<td>5.1</td>
<td>4.6</td>
<td>0.3</td>
<td>0.1</td>
<td>3.7</td>
<td>4.6</td>
<td>5.4</td>
<td>2.9</td>
</tr>
<tr>
<td>SABK 2006-1 FD</td>
<td>HomeEquity</td>
<td>5.4</td>
<td>5.2</td>
<td>0.4</td>
<td>0.4</td>
<td>7.9</td>
<td>6.0</td>
<td>4.2</td>
<td>2.0</td>
</tr>
<tr>
<td>WMABS 2005-HE2 M9</td>
<td>WMAB</td>
<td>4.9</td>
<td>4.1</td>
<td>n/a</td>
<td>n/a</td>
<td>3.8</td>
<td>4.6</td>
<td>4.7</td>
<td>1.0</td>
</tr>
<tr>
<td>SVF 2006-072 MT</td>
<td>OptionOne</td>
<td>6.0</td>
<td>4.6</td>
<td>0.3</td>
<td>0.2</td>
<td>3.4</td>
<td>3.3</td>
<td>3.5</td>
<td>1.9</td>
</tr>
<tr>
<td>CML 2005-EC1 B</td>
<td>Countrywide</td>
<td>4.7</td>
<td>3.9</td>
<td>0.8</td>
<td>2.1</td>
<td>3.6</td>
<td>5.2</td>
<td>2.4</td>
<td>1.0</td>
</tr>
<tr>
<td>BAC 2005-EC1 B</td>
<td>Countrywide</td>
<td>4.8</td>
<td>3.9</td>
<td>0.8</td>
<td>2.1</td>
<td>3.6</td>
<td>5.2</td>
<td>2.4</td>
<td>1.0</td>
</tr>
<tr>
<td>MGAC 2005-HE5 B2</td>
<td>Chase</td>
<td>7.1</td>
<td>5.0</td>
<td>1.4</td>
<td>1.3</td>
<td>3.9</td>
<td>3.6</td>
<td>2.2</td>
<td>1.0</td>
</tr>
<tr>
<td>ACE 2006-HE4 MB</td>
<td>Green</td>
<td>4.2</td>
<td>4.0</td>
<td>0.1</td>
<td>0.1</td>
<td>2.9</td>
<td>6.1</td>
<td>4.8</td>
<td>1.0</td>
</tr>
<tr>
<td>FHLN 2006-C M9</td>
<td>Frenord</td>
<td>4.3</td>
<td>4.0</td>
<td>0.2</td>
<td>0.0</td>
<td>2.4</td>
<td>3.8</td>
<td>3.2</td>
<td>1.0</td>
</tr>
<tr>
<td>ACE 2006-DF1 MB</td>
<td>OptionOne</td>
<td>3.9</td>
<td>3.7</td>
<td>0.3</td>
<td>0.4</td>
<td>3.0</td>
<td>4.2</td>
<td>3.5</td>
<td>1.0</td>
</tr>
<tr>
<td>JPM 2006-W2 M3</td>
<td>Ancestry</td>
<td>3.9</td>
<td>3.1</td>
<td>0.4</td>
<td>1.2</td>
<td>3.7</td>
<td>5.2</td>
<td>2.9</td>
<td>1.0</td>
</tr>
<tr>
<td>WFC 2006-NC1 M4</td>
<td>Wachovia</td>
<td>3.8</td>
<td>3.2</td>
<td>0.5</td>
<td>0.8</td>
<td>5.2</td>
<td>4.3</td>
<td>4.8</td>
<td>1.0</td>
</tr>
<tr>
<td>CML 2005-1-MV1 B</td>
<td>Countrywide</td>
<td>4.8</td>
<td>3.6</td>
<td>0.3</td>
<td>0.1</td>
<td>1.1</td>
<td>3.1</td>
<td>2.2</td>
<td>1.0</td>
</tr>
<tr>
<td>MB2 2005-AS2 M8</td>
<td>Wachovia</td>
<td>6.0</td>
<td>5.2</td>
<td>0.9</td>
<td>0.4</td>
<td>5.0</td>
<td>5.4</td>
<td>3.9</td>
<td>1.1</td>
</tr>
<tr>
<td>CML 2006-2 MB</td>
<td>NewCentury</td>
<td>3.9</td>
<td>3.5</td>
<td>0.4</td>
<td>0.2</td>
<td>2.8</td>
<td>5.0</td>
<td>3.5</td>
<td>1.0</td>
</tr>
<tr>
<td>WFC 2006-SC1 M7</td>
<td>Chase</td>
<td>5.1</td>
<td>4.6</td>
<td>0.1</td>
<td>0.0</td>
<td>2.3</td>
<td>4.5</td>
<td>3.3</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Issuer, Prospectuses, Data as of February 22, 2007
V. Levered RMBS Structural Alternatives

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000855379
Levered RMBS Structural Alternatives
Transaction Variant Summary

- Given that there are a variety of products allowing investors to take levered exposure to RMBS, it is important to understand structural similarities and differences.
- Three distinct types of transactions are considered for this comparison:

<table>
<thead>
<tr>
<th>NAME</th>
<th>GENERAL DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashflow CDO</td>
<td>Fully secured transaction in which a selection agent or third party collateral manager selects the assets to be securitized through CDO. Cash proceeds from collateral assets flow through a waterfall to pay the issued Notes and Income Notes, which are broadly syndicated.</td>
</tr>
<tr>
<td>Bespoke Transaction</td>
<td>Customized transaction negotiated between the servicer and a &quot;sponsor&quot; investor/portfolio manager, who generally takes credit risk at one or more layers of the capital structure. Layers of risk not assumed by &quot;sponsor&quot; investor/portfolio manager are either hedged by the structured product correlation desk or distributed in subsequent offerings.</td>
</tr>
<tr>
<td>Tranched ABX</td>
<td>Standardized ABX tranche trading referencing both AAA and Aaa variants of the on-the-run and immediately off-the-run ABX.HE indices. The product has sponsorship from all ABX dealers and uses a market-based cost.</td>
</tr>
</tbody>
</table>

- Anderson Mezzanine Funding 2007-1, Ltd., is a cashflow CDO
### Levered RMBS Structural Alternatives

#### Transaction Variant Comparison

<table>
<thead>
<tr>
<th>Cashflow CDO</th>
<th>Bespoke Transaction</th>
<th>Tranched ABX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Cashflow Structured Product CDO</td>
<td>Structured Product Correlation Trade</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>Cash Bonds or Single-Name CDS</td>
<td>Tranched CDS</td>
</tr>
<tr>
<td><strong>Amortizations</strong></td>
<td>Modified Sequential</td>
<td>Varies</td>
</tr>
<tr>
<td><strong>Callable</strong></td>
<td>NC3 @ Option of Majority of Equity Holders</td>
<td>NC3 @ Option of Protection Buyer</td>
</tr>
<tr>
<td><strong>Cashflow Waterfall / Triggers</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td>Varies</td>
<td>Varies</td>
</tr>
<tr>
<td><strong>PKable</strong></td>
<td>Single-A Debt and Below</td>
<td>No</td>
</tr>
<tr>
<td><strong>Trading / Reinvestment Period or Static</strong></td>
<td>Managed Deals: Trading/Reinvestment</td>
<td>Static / Revolving</td>
</tr>
<tr>
<td></td>
<td>Defensively Managed: Trading (only credit sales)</td>
<td>Static; Liquidation after an asset downgrades or credit event</td>
</tr>
<tr>
<td><strong>Standardized Documentation</strong></td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Credit Enhancement</strong></td>
<td>Excess spread/subordination</td>
<td>Subordination</td>
</tr>
</tbody>
</table>

---

30
### Levered RMBS Structural Alternatives
#### Transaction Variant Comparison (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Cashflow CDO</th>
<th>Bespoke Transaction</th>
<th>Tranche ABX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical Number of Obligors in Collateral / Reference Portfolio</td>
<td>100+</td>
<td>70+</td>
<td>40</td>
</tr>
<tr>
<td>Non-Dollar Offerings</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Customizability at Different Layers of Capital Structure</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Factors Affecting First Dollar of Loss Breakeven</td>
<td>Losses, loss timing, interest rates, collateral ratings and other features</td>
<td>Losses Only</td>
<td>Losses Only</td>
</tr>
<tr>
<td>Deleveraging Risk, Interest Rate Mismatch Risk and Interest Shortfall / Available Funds Cap Risk</td>
<td>Borne by Equity and Potentially Rated Debt if Severe</td>
<td>Borne by Structured Product Correlation Book</td>
<td>Borne by Structured Product Correlation Book</td>
</tr>
</tbody>
</table>
## Levered RMBS Structural Alternatives

<table>
<thead>
<tr>
<th>Feature</th>
<th>Alternative</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateral</td>
<td>No Collar</td>
<td>Transaction may not be optimal to the benefit of all parties</td>
</tr>
<tr>
<td>Triggers</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Coverage</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Initial Expectations</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Initial Underperformance</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000055382
Appendix A - Portfolio Asset List

Note: The information in this section is confidential and subject to change

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000855383
### Portfolio Composition

**Comprehensive Collateral Asset List:**

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Asset Class</th>
<th>Original Face</th>
<th>Current Face</th>
<th>Maturity</th>
<th>ASB</th>
<th>Extra</th>
<th>Asset Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>043052VL7</td>
<td>NCHET-2005-2 MBS</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B2</td>
<td>BBB-</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>007224M05</td>
<td>ANK 2005-8 MBS</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>61744CP09</td>
<td>MSAC 2005-HC2 B3</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>61744CR86</td>
<td>MSAC 2005-NC1 B3</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>63432XKUJ</td>
<td>NCHET-2005-1 MBS</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>030725V93</td>
<td>ANK 2005-111 MBS</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>040410Q68</td>
<td>ARB 2005-032 M7</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>17520CA5X</td>
<td>CMN 2003-CP13 M8</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>485093969</td>
<td>JPMAC 2006-CA2 M9</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>61744C0V5</td>
<td>MSAC 2005-HE1 B3</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>81744C0A3</td>
<td>MSAC 2005-HE2 B3</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>051049X55</td>
<td>NCHET-2006-1 MBS</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>17295M4J8</td>
<td>CMN 2006-1C1 M8</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>817350G67</td>
<td>SAG 2006-PR3 B2</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>83611MT22</td>
<td>SVHE 2006-CP12 M7</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>12697M4J4</td>
<td>CMN 2005-EC1 B</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>14653FA90</td>
<td>CAIR 2006-NC2 M9</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>48628L2Z4</td>
<td>JPMAC 2005-NC1 M9</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>46302VA05</td>
<td>JPMAC 2006-NC2 M8</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>05330MX77</td>
<td>NLHE 2006-HE2 M9</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>040510G50</td>
<td>ARB 2006-032 M1</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>56321AAOM</td>
<td>UM 2006-5AM B2</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>83611ME14</td>
<td>SVHE 2005-CP11 M8</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>00000069R</td>
<td>SAC 2006-NC1 M9</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>126090O68</td>
<td>CMN 2006-1AM B1</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>57400RW95</td>
<td>ANK 2006-AM2 M6</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>040329AM7</td>
<td>NCHET-2006-2 M9</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>06301KA99</td>
<td>SAIL 2006-BNC3 M7</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>12667ULB8</td>
<td>CMS 2005-14 M8</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
<tr>
<td>58023CA66</td>
<td>MLN 2006-MU1 B2</td>
<td>5,000,000</td>
<td>1,000</td>
<td>5,000,000</td>
<td>2B3</td>
<td>BBB+</td>
<td>RMS Subprime</td>
</tr>
</tbody>
</table>

1. As of February 22, 2007. Goldman Sachs does not represent or provide any assurance that the actual portfolio on the Closing Date or any future data will have the same characteristics as provided above. All face amounts listed above are U.S. Dollar denominated.
## Portfolio Composition¹

Comprehensive Collateral Asset List:

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Asset Name</th>
<th>Original Face</th>
<th>Factor</th>
<th>Current Face</th>
<th>Moody’s</th>
<th>S&amp;P</th>
<th>Fitch</th>
<th>Avg Life</th>
<th>Asset Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>00375FWE8</td>
<td>ACCR 2006-1 M1</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB</td>
<td>-</td>
<td>3.88</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>0043022G7</td>
<td>ASCR 2006-GGT2 M8</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB+</td>
<td>BB+</td>
<td>3.77</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>58020UN34</td>
<td>MUR 2006-HE1 R5A</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB+</td>
<td>BB+</td>
<td>3.55</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421VCA4</td>
<td>ACE 2006-NC1 M1</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>-</td>
<td>3.58</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>144551BO9</td>
<td>CARR 2005-A1C1 M1</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB</td>
<td>2.72</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>22327GAP9</td>
<td>CARL 2006-8C2 M8</td>
<td>1,500,000</td>
<td>1.00</td>
<td>1,500,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>-</td>
<td>2.61</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>64352FSL6</td>
<td>NCHET 2005-3 M6</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB</td>
<td>2.77</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>76112BL24</td>
<td>RAMP 2005-EFC6 M9</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>-</td>
<td>4.40</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>64352EVDd</td>
<td>NCHET 2005-4 M8</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
<td>3.98</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421VPA7</td>
<td>ACE 2005-HE4 M6</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB</td>
<td>3.13</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>030727FQ0</td>
<td>AMS 2005-HNC1 M6</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB</td>
<td>3.99</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>144551E10</td>
<td>CARR 2006-N1C1 M9</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.77</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>024511K3P</td>
<td>GSPAM 2006-NC3  M9</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>-</td>
<td>3.96</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421Y9S</td>
<td>NCHET 2005-1 M8</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.67</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421YAF</td>
<td>NCHET 2006-1C1 M9</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>-</td>
<td>3.10</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421YGU</td>
<td>JPMAC 2005-HE1 M1</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.45</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421YGD</td>
<td>JPMAC 2005-HE2 M1</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.19</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421YAN</td>
<td>VWABS 2006-HE1 C2 M9</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>-</td>
<td>2.67</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>57943LMK1</td>
<td>MBBS 2005-NC2  M9</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>A</td>
<td>BBB+</td>
<td>2.96</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>61744CWXE</td>
<td>MSAC 2006-HE8 B2</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB+</td>
<td>BB+</td>
<td>3.80</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421XAP</td>
<td>ACE 2006-HE8 M9</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB+</td>
<td>-</td>
<td>4.73</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004421XAF</td>
<td>ACE 2005-OP1 M8</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB+</td>
<td>BB+</td>
<td>3.63</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004510HQXW</td>
<td>VEABS 2006-HE2 M2</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.54</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>48962X4NA</td>
<td>IXS 2006-HE2  B3</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>-</td>
<td>4.17</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>004510Q9R8</td>
<td>NCHET 2005-1 M8</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.88</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>61744CQZJ</td>
<td>MSAC 2005-HE8 B2</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB+</td>
<td>BB+</td>
<td>3.54</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>316969AM4</td>
<td>FMAC 2006-2 M8</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB+</td>
<td>-</td>
<td>3.35</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>437072PA3</td>
<td>HEAT 2006-4 M8</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>A</td>
<td>A</td>
<td>4.08</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>61744CM2Y</td>
<td>MSAC 2005-NC1  B2</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BB-</td>
<td>BB+</td>
<td>2.42</td>
<td>RMBS Multifamily</td>
</tr>
<tr>
<td>92354FAAE</td>
<td>VRGO 2006-1A B1</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa1</td>
<td>BB-</td>
<td>-</td>
<td>0.61</td>
<td>RMBS CDO</td>
</tr>
</tbody>
</table>

¹ As of February 22, 2007. Goldman Sachs does not represent or provide any assurance that the actual portfolio on the Closing Date or any future date will have the same characteristics as provided above. All Face amounts listed above are US Dollar amounts.

| Footnote Exhibits - Page 4399 | 328 |
Anderson Mezzanine Funding 2007-1, Ltd.

Team Contact Information

Goldman, Sachs & Co. – Structuring and Placement Agent

Structured Product CDOs - Structuring, Marketing, and Principal Investments

Peter Ostrow, Managing Director
(212) 357-4617
Matt Bieber, Vice President
(212) 357-9183
Michae Chilton, Vice President
(212) 902-2681
John X. Li, Associate
(212) 902-2562
Shelly Lin, Analyst
(212) 357-9944
Eric Siegel, Analyst
(212) 357-9753

Syndication

Bunty Bohra, Managing Director
(212) 902-7645
Scott Winder, Vice President
(212) 902-2558
Omar Chaudhary, Vice President
+91 (3) 6437-7108
Mitchell Rosenick, Executive Director
+44 (020) 7774-3068
Tetsuya Ishikawa, Associate
+44 (020) 7774-1025
Anderson Mezzanine Funding 2007-1, Ltd.
A $500 Million Static Mezzanine Structured Product CDO
Goldman, Sachs & Co. – Liquidation, Structuring, and Placement Agent
Equity Marketing Book

February 2007
The information contained herein is indicative only and the actual terms of any tranche will be set forth in the definitive Offering Circular.
# Table of Contents

I. Executive Summary  
II. Disclaimer and Risk Factors  
III. Transaction Overview  
IV. Transaction Details  
V. Portfolio Composition and Highlights  
VI. Comparison of Levered RMBS Structures  
VII. Equity Scenarios  
VIII. Modeling Assumptions

**Appendix**  
A. Portfolio Asset List  
B. Goldman Sachs Contact Information
I. Executive Summary

Note: The information in this section is preliminary and subject to change
Anderson Mezzanine Funding 2007-1

Executive Summary

- Anderson Mezzanine Funding 2007-1 ("Anderson Funding") will be a static $500 million cashflow CDO consisting of a diversified portfolio of RMBS and CDO securities.

- Goldman Sachs and GSC Group ("GSC") co-selected the assets.

- Anderson Funding will be non-managed and static in nature. Anderson Funding will provide term non-recourse funding. In its role as Liquidation Agent, Goldman Sachs will:
  - Liquidate any asset within one year after such asset performs below certain threshold levels determined prior to closing.

- The portfolio consists of collateral which is rated at least Baa3 (if rated by Moody’s) and BBB- (if rated by S&P) with an average rating of Baa2/Baa3. 100% of the portfolio will be real-estate related securities.

- Low fee structure and less "barbelled" portfolio than other mezzanine CDOs in the current market.

- Transaction co-sponsored by Goldman and GSC Elliot Bridge (an ABS and CDO hedge fund managed by GSC Group). Goldman Sachs and GSC has aligned incentives with Anderson Funding by investing in a portion of equity.
II. Disclaimer and Risk Factors

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-00092561
Disclaimer

The information contained herein is confidential information regarding securities that may in the future be offered by Anderson Mezzanine Funding 2007-1, Ltd. ("Administrator"), Anderson or the "Issuer"). The Information is being delivered to a limited number of sophisticated prospective institutional investors in order to assist them in determining whether they have an interest in the type of securities described herein and is solely for their internal use. By accepting this Information, the recipient agrees that it will use and will cause its directors, officers, employees and representatives to use the Information only to evaluate its potential interest in the securities described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this Information, in whole or in part, is prohibited. Notwithstanding the foregoing, each recipient and each employee, representative, or other agent of each recipient may disclose to any and all other persons, without limitation or any kind, the tax treatment and tax structure of the Issuer, the securities described herein and any future offering to persons who have a need to know such tax treatment and tax structure. The recipient acknowledges that it is not purchasing the securities or entering into any transaction described herein for purposes of avoiding United States federal income tax treatment of the transaction, and the tax structure of a transaction is an aspect of the consideration to be given to the recipient in any such transaction. The recipient further acknowledges that the information contained herein relating to such tax treatment and tax structure. However, any such information relating to such tax treatment or tax structure is required to be kept confidential to the extent necessary to maintain the proprietary nature thereof. Any decision to invest in the securities described herein should be made after reviewing the Offering Circular, conducting such investigations as the recipient deems necessary or appropriate and consulting the investor’s own legal, accounting, tax, and other advisors in order to make an independent determination of the suitability and consequences of an investment in the securities.

The securities described herein will not be registered under the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction and neither the Issuer nor the holder of securities held by the Issuer will be registered under the Investment Company Act of 1940, as amended. The securities offered herein will not be recommended by any United States federal or state securities commission or any other regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a material misstatement. The securities described herein will be subject to certain restrictions on transfers as described in the Offering Circular.

None of the Issuer, Goldman Sachs (as used herein, each shall include Goldman Sachs & Co. and all of its Affiliates), nor any of their respective Affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance. The information includes hypothetical illustrations and involves modeling assumptions that are required for purposes of such hypothetical illustrations. No representations are made as to the accuracy of such hypothetical illustrations or that of any analysis relating to such hypothetical illustrations have been considered or stated or that such hypothetical illustrations will be realized. The information contained herein does not purport to contain all of the information that may be required to evaluate such securities, and such recipient is encouraged to read the Offering Circular and conduct its own independent analysis of the data referred to herein. The Issuer, Goldman Sachs, and their respective Affiliates disclaim any and all liability arising from the Information, including, without limitation, any express or implied representation or warranty for statements contained in and the accuracy of the information contained herein. Nothing herein shall be considered an offer to sell or the solicitation of an offer to buy any securities. The Issuer and its Affiliates shall not be bound by the terms of the information contained herein except to the extent of the terms of the Offering Circular. Additional information may be available upon request. The securities and obligations of the Issuer are not deposit obligations of any financial institution. The securities and obligations of the Issuer are complex, structured securities and there is no assurance that a secondary market for such securities will exist at any time. Accordingly, prospective investors should be prepared, and have the ability, to hold such securities until their respective stated maturities or stated redemption dates.
Disclaimer

HYPOTHETICAL ILLUSTRATIONS AND PRO FORMA INFORMATION

These materials contain statements that are not purely historical in nature. These include, among other things, hypothetical illustrations, sample or pro forma portfolio structures or portfolio composition, scenario analysis of returns and proposed or pro forma levels of diversification or sector investment. These hypothetical illustrations of returns illustrate a range of potential outcomes based upon various assumptions. Such potential outcomes are not a prediction by the Issuer, Goldman Sachs or their respective affiliates of the performance of the securities described herein. Actual events are difficult to predict and are beyond the control of the Issuer, Goldman Sachs, or their respective affiliates. Actual events may differ from those assumed and such differences may be material. There can be no assurance that illustrated returns will be realized or materialized or that actual returns or results will not be materially lower than those presented. All statements included are based on information available on the date hereof, and none of the Issuer, Goldman Sachs or their respective affiliates assumes any duty to update any such statement. Some important factors which could cause actual results to differ materially from those in any statements contained herein include the actual composition of the collateral and the price at which such collateral is actually purchased by the Issuer, any defaults on the collateral, the timing of any defaults and subsequent recoveries, changes in interest rates, and any weakening of the specific credits included in the collateral, among others. The Offering Circular will contain other risk factors, which an investor should also consider in connection with an investment in the securities described herein.

PRIOR INVESTMENT RESULTS

Any prior investment results or returns are presented for illustrative purposes only and are not indicative of the future returns on the securities and obligations of the Issuer. Because of portfolio restrictions that apply to the Issuer and differences in market conditions, the investments selected by Goldman Sachs on behalf of the Issuer may differ substantially from prior investments made by Goldman Sachs. The Issuer has no operating history.
Risk Factors

Note: The Offering Circular will include more extensive descriptions of the risks described herein as well as additional risks relating to, among other things, control of interest, by a third party. The Offering Circular describes the risks that were or may occur after reviewing such Offering Circular, and is intended to be made to the investor in a manner that requires the investor to understand the materiality of the risks of the securities offered. The risks are intended to be made to the investor in a manner that is necessary and substantial to the investor's analysis and understanding of the risks of the securities offered. The Offering Circular will supplement this document in an orderly manner.

Limited Liability, Reimbursements on Transfer, and Limited Recourse
- There is currently no market for the Secured Notes or Income Notes, and it is unlikely that any secondary market will develop. The Secured Notes and the Income Notes should be viewed as a long-term investment, not as a trading vehicle. The value of the Secured Notes and the Income Notes may vary, and the Secured Notes and the Income Notes, if sold, may be worth less than their original cost.
- In addition, the Secured Notes and the Income Notes will be sold in transactions exempt from SEC registration pursuant to Section 4(a)(2) of the Securities Act, and the Issuer will not be required to register the Issuer under the Investment Company Act of 1940 pursuant to the Section 3(c)(7) of the Act. The Issuer's inability to register the Issuer, as other restrictions on transfer of the Income Notes will apply.
- All transfers are subject to a number of conditions, and the Income Notes will be available for payment in the event of any deficiency. The Income Notes are subject to the rights of the holder, and such rights are subject to the rights of the Secured Notes.
- The Income Notes are subject to the rights of the holder, and such rights are subject to the rights of the Secured Notes.
- The Issuer is subject to the rights of the holder, and such rights are subject to the rights of the Secured Notes.

Leverage Credit Risk
- The Income Notes are in a first lien position with respect to the underlying collateral. The leverage nature of the Income Notes magnifies the adverse impact of any collateral defaults.

Valuation of Collateral and Secured Notes and Income Notes' Market Value
- The Income Notes represent a leveraged investment in the Collateral Assets. The use of leverage generally magnifies the issuer’s opportunities for gain and risk of loss. Therefore, changes in the market value of the Secured Notes and the Income Notes can be expected to be greater than changes in the market value of the underlying assets (collateral) which themselves are subject to credit, liquidity, and, with respect to the fixed income portion of the portfolio, interest rate risk.
- Changes in the market value of the Issuer’s shares in the portfolio or industry may impact the market value of the Issuer’s shares in one or more of other sectors or industries included in the collateral.

Collateral Risk
- Collateral Assets may not be significant credit risks because issuers are primarily private entities.
- The structure of Collateral Assets, and the terms of the Issuer’s interest in the collateral, may be highly dependent on the type of collateral, issuer’s structure, and the use of credit enhancements.
- Adverse changes in the financial condition of the collateral, or to general economic conditions, may adversely affect the issuer’s ability to pay principal and interest on the debt.
Risk Factors

- Nature of Collateral
  - The Collateral Assets are subject to credit, liquidity and interest rate risk. In addition, the financial performance of the Issuer may be affected by the price and availability of Collateral Assets to be purchased.
  - Some or all of the Collateral Assets may be substituted securities which may be subject to increased credit risk.
  - The ability of the Issuer to sell Collateral Assets prior to maturity is subject to certain restrictions and limitations under the Indenture.

- No Collateral Manager
  - The Issuer will not engage a Collateral Manager. As a result, (i) the Collateral Assets held by the Issuer on the Closing Date will be retained by the Issuer even if it would be in the best interests of the Issuer and the holders of the Income Notes and Secured Notes to dispose of certain Collateral Assets unless the Collateral Assets are required to be sold by the Liquidation Agent as described in the previous paragraph and (ii) the Issuer will distribute the ability of the Issuer to exercise discretion in certain decisions to the holders of the Income Notes and Secured Notes.

- Timing and Arrangement of Reorganization
  - Only Collateral Assets that meet the liquidation criteria may be sold. If a Collateral Asset meets the liquidation criteria, the Liquidation Agent is required to sell such affected collateral in accordance with the terms of the Liquidation Agency Agreement. There can be no assurance as to the timing of the Liquidation Agency's sale of affected assets, or if there will be any material for such assets or as to the rates of recovery on such affected collateral. The rates of recovery for Collateral Assets sold at a loss may be lower than the original yield or paid to the Income Notes and the Secured Notes, as applicable, in the case of assets that are sold at a loss and may be lower than the yield to the Income Notes and the Secured Notes, as applicable, in the case of assets that are sold at a loss.

- Impairment of Credit Quality of the Collateral
  - Decline in credit quality of the collateral or defaults could result in losses which would adversely affect the Income Notes and Secured Notes.
  - There may be certain industry or sector concentration in the CDO, all of which could have a material adverse impact on the Income Notes in the event of economic downturns or other events affecting the credit quality of any of the collaterals.

- Yields Due to Prepayments
  - The yield to maturity on the Income Notes could be affected by the rate of prepayment of the Collateral Assets. Prepayments in the Income Notes may be at a rate slower or faster than the rate anticipated by investors, which could result in an actual yield that is lower than anticipated by such investors. Conversely, payments to the Income Notes at a rate faster than the rate anticipated by investors purchasing the Income Notes at a discount will result in an actual yield that is lower than anticipated by such investors.

- Timing of Receipt of Accrued Interest Income
  - On an ongoing basis, receipt by the Issuer of accrued Interest Income may affect the availability of cash which may be distributed to the Holders of the Income Notes and the Secured Notes.
Risk Factors

- International investing
  - Investing outside the U.S. may involve greater risks which may include (1) less publicly available information, (2) varying levels of governmental regulation and supervision, (3) the difficulty of enforcing legal rights in a foreign jurisdiction and uncertainties as to the status, interpretation and application of laws, (4) less stringent accounting practices, (5) different clearance and settlement procedures, (6) economic and political conditions and instability, (7) exchange control and foreign currency risk, (8) illiquidity and (9) expropriation risk.
  - A portion of the Collateral Assets may consist of obligations of on-lender organized under the laws of the Bahamas, Bermuda, the Cayman Islands, the Channel Islands, the Netherland Antilles or other jurisdictions offering favorable tax treatment.

- Tax Treatment of Income Notes
  - Since the issuer will be a passive foreign investment company, a U.S. person holding income notes may be subject to additional taxes unless it elects to treat the issuer as a qualified foreign corporation and to recognize currently its proportionate share of the issuer's income. The income notes will be treated as debt for tax purposes.
  - Income notes holders should consult their tax advisors about the specific U.S. tax regimes that apply to shareholders of passive foreign investment companies, controlled foreign corporations and foreign personal holding companies.
  - Special tax considerations may apply to certain types of investors. Prospective investors should consult their own tax advisors regarding the tax implications of their investments.

- Material Tax Considerations
  - There is a possibility that the issuer will be found to not be engaging in a U.S. trade or business. In such a case, it would be subject to substantial U.S. income tax on its income.

- Hypothetical Illustrations and Estimates
  - Estimates of the weighted average lives of the Class A, B, C, D and E Notes and the return on duration of the income notes included herein, together with any other hypothetical illustrations and estimates provided to prospective purchasers of the Class A, B, C, D and E Notes, are forward-looking statements. See "Hypothetical Illustrations and Pro Forma Information" on disclaimer page in the beginning of this book.
  - The hypothetical illustrations are only estimates. Actual results may vary, and the variables may be material. See "Hypothetical Illustrations and Pro Forma Information" on disclaimer page in the beginning of this book.

- Changes in the Laws
  - The Collateral Assets are not permitted to be subject to withholding tax at the time of purchase, unless the issuer thereof is required to make "gross-up" payments. There can be no assurance that, as a result of any change in any applicable law, treaty, rule or regulation or interpretation thereof, the payments on the collateral might not in the future become subject to withholding tax which could adversely affect the amounts that would otherwise be available to make payments on the income Notes and/or interests.
  - In case of a Withholding Tax Event (as defined in the Offering Circular), holders of more than 50% of any outstanding Note may require the issuer to liquidate the collateral on any Payment Date, and redeem the Class A, B, C, D and E Notes, prior to any distributions to holders of income Notes.
Risk Factors

- Subordination
  - The Income Notes are subordinated to the Class B, Class C, Class D, and Class E Notes and certain payments of expenses. The Class E Notes are subordinated to the Class A, Class B, Class C, and Class D Notes and certain payments of expenses. The Class D Notes are subordinated to the Class E, Class A, Class B, Class C, and Class D Notes and certain payments of expenses. The Class C Notes are subordinated to the Class A and Class B Notes and certain payments of expenses. The Class B Notes are subordinated to the Class A Notes and certain payments of expenses. No distributions of interest proceedings realized on the collateral will be made to the Income Notes until interest on the Secured Notes and certain other expenses have been paid. In addition, in the event of default, holders of the most junior class of Secured Notes will generally be entitled to determine the remedies to be exercised.

- Credit Exposure to Portfolio of Reference Obligations
  - On the closing date, the Issuer will enter into pay-when-earned credit default swaps (the "Synthetic Securities") with Goldman Sachs International ("GS") and its affiliate, the "Counterparty," pursuant to which the Issuer will buy credit default protection with respect to a portfolio of Reference Obligations. If a credit event occurs with respect to any of the Reference Obligations, the Issuer will pay the Counterparty the amount of the write-down or principal loss, if any. The Counterparty will pay the Issuer the proceeds of the sale of the Reference Obligations. In the event of default, the Counterparty will pay the Issuer a premium which may be reduced (but not below zero) if certain Reference Obligations experience interest shortfalls. Credit events and interest shortfalls may adversely affect the Issuer's ability to make payments on the Notes and the Income Notes.

- All Notes and Income Notes are subordinated to credit default protection payments under the Synthetic Securities and to certain termination payments payable to the Counterparty in connection with a termination event. The magnitude of such losses will be affected by the number of credit events and the recovery amount of any delivered Reference Obligations and timing of such credit events.
III. Transaction Overview

Note: The information in this section is preliminary and subject to change.
Anderson Mezzanine Funding 2007-1, Ltd.
Transaction Overview

- Anderson Mezzanine Funding is a "static" mezzanine structured product CDO with the following features:
  - No exposure to reinvestment spread risk or reliance on reinvestment to generate excess interest to cover debt
  - No fixed rate assets
  - No assets without an initial rating of at least Baa3 by Moody's and BBB- by S&P. Average WARF in the portfolio is expected to be 500
  - Overall transaction cost structure is significantly less than comparable mezzanine structured product CDOs in the market

- There will be no reinvestment, substitution, discretionary trading or discretionary sales. After closing, assets that are determined to be "credit risk" securities will be sold by the Liquidation Agent within one year of such determination

- Goldman Sachs will act as Structuring, Placement and Liquidation Agent for Anderson Funding and will warehouse the portfolio prior to closing
  - Goldman Sachs will charge 10 bps ongoing fee for its role as Liquidation Agent

- Goldman Sachs and GSC's portfolio selection process:
  - Assets sourced from the Street at then market levels
  - GSC pre-screens and evaluates assets for portfolio suitability
  - Goldman Sachs CDO desk reviews individual assets in conjunction with respective mortgage trading desks (Subprime, Miprime, Prime, etc.) and makes decision to add or decline
  - All CDS use rating agency approved confirms (pay as you go)
Anderson Mezzanine Funding 2007-1, Ltd.

Transaction Overview - Asset Selection / Asset Liquidation

- Portfolio Aggregation Strategy:
  - Select only assets rated explicitly Baa3/BBB- (Moody's / S&P) and above. No notched rating of below Baa3 in the portfolio
  - No fixed rate assets allowed, eliminating interest rate swap basis mismatch
  - Maximum obligor concentration is 1.5%, creating a very granular portfolio with 100 distinct obligors
  - Target portfolio with Weighted Average Rating Factor of 500 and duration weighted average spread of 202 bps

- Goldman Sachs, as Liquidation Agent, will liquidate any asset determined to be a "credit risk" asset within 12 months of such determination. "Credit risk" assets will include:
  - Any asset downgraded by Moody's or S&P to below Baa3 or BB-
  - Any asset that is defaulted and experiences a credit event as defined by the PAIG confirm

- Expected collateral quality statistics at closing:
  - WARF: 500
  - 100 Distinct Obligors
  - Moody's Asset Correlation ("MAC") at closing: 27
  - Duration weighted average portfolio spread: 202 bps
  - Weighted Average Duration: 3.1 years
## Anderson Mezzanine Funding 2007-1, Ltd.
### Transaction Overview - Capital Structure

<table>
<thead>
<tr>
<th>Classes</th>
<th>Ratings (Moody's/S&amp;P)</th>
<th>Principal Balance</th>
<th>% of Capital Structure</th>
<th>Coupon</th>
<th>Expected WAL</th>
<th>Initial OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A-1</td>
<td>Aaa/AA</td>
<td>$100.0 MM</td>
<td>60.00%</td>
<td>1M LIBOR + [ ] %</td>
<td>[3.8]</td>
<td>188.7%</td>
</tr>
<tr>
<td>Class A-2</td>
<td>Aaa/AA</td>
<td>$75.0 MM</td>
<td>15.00%</td>
<td>1M LIBOR + [ ] %</td>
<td>[4.1]</td>
<td>133.3%</td>
</tr>
<tr>
<td>Class B</td>
<td>A2/A</td>
<td>$40.0 MM</td>
<td>6.00%</td>
<td>1M LIBOR + [ ] %</td>
<td>[4.5]</td>
<td>120.5%</td>
</tr>
<tr>
<td>Class C</td>
<td>A2/A</td>
<td>$35.0 MM</td>
<td>7.00%</td>
<td>1M LIBOR + [ ] %</td>
<td>[4.7]</td>
<td>111.1%</td>
</tr>
<tr>
<td>Class D</td>
<td>Baa2/BBB</td>
<td>$25.5 MM</td>
<td>5.70%</td>
<td>1M LIBOR + [ ] %</td>
<td>[4.5]</td>
<td>104.5%</td>
</tr>
<tr>
<td>Class E</td>
<td>B1/BB+</td>
<td>$8.0 MM</td>
<td>1.20%</td>
<td>1M LIBOR + [ ] %</td>
<td>[6.1]</td>
<td>103.2%</td>
</tr>
<tr>
<td>Income Notes</td>
<td>NR</td>
<td>$15.5 MM</td>
<td>3.10%</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

1. This information is preliminary and subject to change.
IV. Transaction Details

Note: The information in this section is preliminary and subject to change.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000392573
## Transaction Details

### General Information

<table>
<thead>
<tr>
<th>Issuers:</th>
<th>Anderson Mezzanine Funding 2007-1, Ltd. and Anderson Mezzanine Funding 2007-1, Corp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidation Agent, Structuring and Placement Agent:</td>
<td>Goldman, Sachs &amp; Co.</td>
</tr>
<tr>
<td>Liquidation Agent Fee:</td>
<td>10 bps per annum payable senior to all the notes</td>
</tr>
<tr>
<td>Reinvestment Period:</td>
<td>None</td>
</tr>
<tr>
<td>Discretionary Trading:</td>
<td>None. Liquidation Agent will sell credit-risk assets based on pre-determined rules and the clean proceeds will be treated as principal paydowns</td>
</tr>
<tr>
<td>Ramp-Up Period:</td>
<td>None</td>
</tr>
<tr>
<td>Non-Call Period:</td>
<td>3 years</td>
</tr>
<tr>
<td>Auction Call:</td>
<td>8 years. There is no minimum IRR requirement for successful Auction Call</td>
</tr>
<tr>
<td>Call Price:</td>
<td>Par plus accreted for Class B, A-1, A-2, B, C, D and E Notes</td>
</tr>
<tr>
<td>Payment Frequency:</td>
<td>Monthly for Class S, A-1, A-2, B, C, D and Class E Notes, Quarterly for Income Notes</td>
</tr>
<tr>
<td>Controlling Class:</td>
<td>Class A Notes (the &quot;Senior Notes&quot;) voting in the aggregate until paid in full, then Class B, Class C, D and Class E Notes in that order until each Class is paid in full</td>
</tr>
</tbody>
</table>
V. Portfolio Composition

Confidential Treatment Requested by Goldman Sachs
### Loan-Level Characteristics of RMBS Assets

<table>
<thead>
<tr>
<th>Bloomberg Ticker</th>
<th>Issue Date</th>
<th>Collateral</th>
<th>Collateral Value</th>
<th>PSA</th>
<th>LTV</th>
<th>Gov Sec</th>
<th>Gov Sec 2nd</th>
<th>First L/C</th>
<th>First L/C Incl. Collateral</th>
<th>First L/C Unders</th>
<th>Parish</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACRF 2006-1 M5</td>
<td>3/29/2006</td>
<td>12</td>
<td>1.23</td>
<td>633</td>
<td>78</td>
<td>CA 19%</td>
<td>FL 13%</td>
<td>33.3</td>
<td>100.0</td>
<td>7.9</td>
<td>33.2</td>
</tr>
<tr>
<td>HASC 2006-QP12 M6</td>
<td>2/28/2006</td>
<td>16</td>
<td>7.00</td>
<td>623</td>
<td>79</td>
<td>CA 20%</td>
<td>FL 10%</td>
<td>27.9</td>
<td>100.0</td>
<td>8.7</td>
<td>30.4</td>
</tr>
<tr>
<td>NMK 2005-I E122A</td>
<td>2/7/2006</td>
<td>16</td>
<td>6.91</td>
<td>630</td>
<td>82</td>
<td>CA 30%</td>
<td>FL 12%</td>
<td>24.5</td>
<td>100.0</td>
<td>6.0</td>
<td>30.5</td>
</tr>
<tr>
<td>MSAC 2005-N1C B2</td>
<td>3/25/2005</td>
<td>28</td>
<td>7.42</td>
<td>617</td>
<td>79</td>
<td>CA 22%</td>
<td>TX 10%</td>
<td>43.7</td>
<td>99.7</td>
<td>6.6</td>
<td>31.3</td>
</tr>
<tr>
<td>NOCHET 2005-2 M6</td>
<td>4/22/2005</td>
<td>21</td>
<td>6.65</td>
<td>623</td>
<td>78</td>
<td>CA 32%</td>
<td>FL 9%</td>
<td>24.0</td>
<td>100.0</td>
<td>8.8</td>
<td>35.8</td>
</tr>
<tr>
<td>RFIN 2006-4 M14</td>
<td>6/6/2006</td>
<td>15</td>
<td>6.56</td>
<td>618</td>
<td>81</td>
<td>CA 38%</td>
<td>FL 8%</td>
<td>22.6</td>
<td>100.0</td>
<td>8.4</td>
<td>31.3</td>
</tr>
<tr>
<td>ACRF 2006-2 M5</td>
<td>3/29/2006</td>
<td>28</td>
<td>7.27</td>
<td>640</td>
<td>81</td>
<td>CA 28%</td>
<td>TX 10%</td>
<td>43.7</td>
<td>99.7</td>
<td>6.6</td>
<td>31.3</td>
</tr>
<tr>
<td>MSAC 2005-N1C B3</td>
<td>1/27/2006</td>
<td>15</td>
<td>6.73</td>
<td>622</td>
<td>78</td>
<td>CA 37%</td>
<td>FL 11%</td>
<td>24.6</td>
<td>100.0</td>
<td>7.9</td>
<td>38.1</td>
</tr>
<tr>
<td>NOCHET 2005-1 M5</td>
<td>2/25/2005</td>
<td>24</td>
<td>6.63</td>
<td>623</td>
<td>85</td>
<td>CA 32%</td>
<td>FL 9%</td>
<td>26.0</td>
<td>100.0</td>
<td>8.0</td>
<td>38.4</td>
</tr>
<tr>
<td>NOCHET 2005-3 M9</td>
<td>2/28/2005</td>
<td>20</td>
<td>6.50</td>
<td>630</td>
<td>79</td>
<td>CA 32%</td>
<td>FL 9%</td>
<td>22.6</td>
<td>100.0</td>
<td>9.2</td>
<td>41.3</td>
</tr>
<tr>
<td>RAMP 2005-07C M9</td>
<td>11/22/2005</td>
<td>15</td>
<td>6.52</td>
<td>632</td>
<td>82</td>
<td>CA 15%</td>
<td>FL 7%</td>
<td>14.2</td>
<td>100.0</td>
<td>1.0</td>
<td>43.7</td>
</tr>
<tr>
<td>NOCHET 2005-4 M4</td>
<td>8/17/2005</td>
<td>16</td>
<td>6.58</td>
<td>626</td>
<td>81</td>
<td>CA 38%</td>
<td>FL 9%</td>
<td>21.6</td>
<td>100.0</td>
<td>8.9</td>
<td>44.0</td>
</tr>
<tr>
<td>ACRF 2006-6 M5</td>
<td>12/21/2005</td>
<td>24</td>
<td>7.27</td>
<td>640</td>
<td>81</td>
<td>CA 28%</td>
<td>TX 10%</td>
<td>43.7</td>
<td>99.7</td>
<td>6.6</td>
<td>31.3</td>
</tr>
<tr>
<td>CMLTI 2005-QP12 M9</td>
<td>6/29/2005</td>
<td>15</td>
<td>6.91</td>
<td>630</td>
<td>82</td>
<td>CA 30%</td>
<td>FL 12%</td>
<td>24.5</td>
<td>100.0</td>
<td>6.0</td>
<td>30.5</td>
</tr>
<tr>
<td>GSAMP 2005-NQ2 M5</td>
<td>6/29/2005</td>
<td>15</td>
<td>7.70</td>
<td>626</td>
<td>80</td>
<td>CA 36%</td>
<td>FL 11%</td>
<td>13.0</td>
<td>100.0</td>
<td>9.2</td>
<td>43.7</td>
</tr>
<tr>
<td>HASC 2005-QP11 M9</td>
<td>2/28/2005</td>
<td>15</td>
<td>6.68</td>
<td>644</td>
<td>79</td>
<td>CA 30%</td>
<td>NY 10%</td>
<td>32.2</td>
<td>100.0</td>
<td>9.8</td>
<td>30.2</td>
</tr>
<tr>
<td>HASC 2005-N2C M1</td>
<td>3/7/2005</td>
<td>15</td>
<td>6.69</td>
<td>650</td>
<td>82</td>
<td>CA 43%</td>
<td>FL 7%</td>
<td>0.0</td>
<td>100.0</td>
<td>3.5</td>
<td>50.3</td>
</tr>
<tr>
<td>JFRAAC 2006-HE1 M8</td>
<td>2/25/2005</td>
<td>15</td>
<td>7.30</td>
<td>641</td>
<td>73</td>
<td>CA 48%</td>
<td>IL 11%</td>
<td>19.5</td>
<td>100.0</td>
<td>7.5</td>
<td>54.1</td>
</tr>
<tr>
<td>NOCHET 2005-6 Q2</td>
<td>11/19/2005</td>
<td>28</td>
<td>7.27</td>
<td>640</td>
<td>81</td>
<td>CA 28%</td>
<td>TX 10%</td>
<td>43.7</td>
<td>99.7</td>
<td>6.6</td>
<td>31.3</td>
</tr>
<tr>
<td>NOCHET 2005-7 H2</td>
<td>2/5/2005</td>
<td>21</td>
<td>7.27</td>
<td>640</td>
<td>81</td>
<td>CA 28%</td>
<td>TX 10%</td>
<td>43.7</td>
<td>99.7</td>
<td>6.6</td>
<td>31.3</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Intex, Prospectuses; Current data used where available
### Loan-Level Characteristics of RMBS Assets

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Issue Date</th>
<th>Coupon Rate</th>
<th>MCO</th>
<th>LTV</th>
<th>Length</th>
<th>CDO Tier</th>
<th>Final Inc.</th>
<th>First Inc.</th>
<th>Value</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHLT 2006-B8B</td>
<td>8/3/2006</td>
<td>8.72%</td>
<td>827</td>
<td>78</td>
<td>CA 26%</td>
<td>FL 13%</td>
<td>19.3</td>
<td>100.0</td>
<td>4.4</td>
<td>56.2</td>
</tr>
<tr>
<td>SABR 2006-F33B2</td>
<td>8/3/2006</td>
<td>7.91%</td>
<td>910</td>
<td>75</td>
<td>CA 25%</td>
<td>FL 17%</td>
<td>11.8</td>
<td>100.0</td>
<td>5.0</td>
<td>47.1</td>
</tr>
<tr>
<td>WAMBS 2006-HE2</td>
<td>5/25/2006</td>
<td>7.76%</td>
<td>625</td>
<td>76</td>
<td>CA 39%</td>
<td>FL 14%</td>
<td>15.4</td>
<td>100.0</td>
<td>3.4</td>
<td>53.3</td>
</tr>
<tr>
<td>SVHE 2006-DH2 M7</td>
<td>4/7/2006</td>
<td>8.07%</td>
<td>622</td>
<td>79</td>
<td>CA 23%</td>
<td>FL 13%</td>
<td>16.9</td>
<td>100.0</td>
<td>10.0</td>
<td>35.8</td>
</tr>
<tr>
<td>CWL 2006-BS16 B</td>
<td>12/28/2005</td>
<td>8.03%</td>
<td>620</td>
<td>76</td>
<td>CA 23%</td>
<td>FL 10%</td>
<td>31.9</td>
<td>100.0</td>
<td>2.3</td>
<td>35.3</td>
</tr>
<tr>
<td>MSAC 2005-HB5</td>
<td>11/28/2005</td>
<td>8.71%</td>
<td>333</td>
<td>77</td>
<td>CA 27%</td>
<td>FL 12%</td>
<td>26.8</td>
<td>100.0</td>
<td>4.5</td>
<td>40.5</td>
</tr>
<tr>
<td>ACE 2006-H14 M9</td>
<td>1/28/2006</td>
<td>7.95%</td>
<td>627</td>
<td>80</td>
<td>CA 25%</td>
<td>FL 14%</td>
<td>14.9</td>
<td>98.6</td>
<td>5.8</td>
<td>51.6</td>
</tr>
<tr>
<td>FHLT 2006-C3B2</td>
<td>9/20/2005</td>
<td>7.87%</td>
<td>623</td>
<td>70</td>
<td>CA 27%</td>
<td>FL 15%</td>
<td>23.7</td>
<td>100.0</td>
<td>6.9</td>
<td>42.2</td>
</tr>
<tr>
<td>ACE 2006-DH1 M8</td>
<td>5/5/2006</td>
<td>7.68%</td>
<td>628</td>
<td>80</td>
<td>CA 30%</td>
<td>NY 12%</td>
<td>17.9</td>
<td>100.0</td>
<td>9.3</td>
<td>39.2</td>
</tr>
<tr>
<td>ARMS 2006-W4 M9</td>
<td>4/27/2006</td>
<td>7.72%</td>
<td>616</td>
<td>80</td>
<td>CA 28%</td>
<td>FL 14%</td>
<td>14.7</td>
<td>100.0</td>
<td>9.2</td>
<td>47.4</td>
</tr>
<tr>
<td>SASC 2006-HC1 M1</td>
<td>6/22/2006</td>
<td>7.65%</td>
<td>617</td>
<td>81</td>
<td>CA 28%</td>
<td>FL 12%</td>
<td>23.5</td>
<td>100.0</td>
<td>6.3</td>
<td>37.9</td>
</tr>
<tr>
<td>CWL 2006-1 MK8</td>
<td>2/19/2006</td>
<td>6.76%</td>
<td>618</td>
<td>78</td>
<td>CA 33%</td>
<td>FL 19%</td>
<td>3.0</td>
<td>100.0</td>
<td>5.4</td>
<td>38.5</td>
</tr>
<tr>
<td>MBAS 2005-AM2 M8</td>
<td>7/26/2006</td>
<td>7.60%</td>
<td>808</td>
<td>75</td>
<td>FL 31%</td>
<td>CA 19%</td>
<td>12.2</td>
<td>100.0</td>
<td>3.4</td>
<td>37.3</td>
</tr>
<tr>
<td>ACHET 2006-C M6</td>
<td>8/26/2006</td>
<td>7.65%</td>
<td>821</td>
<td>80</td>
<td>CA 25%</td>
<td>FL 9%</td>
<td>24.3</td>
<td>100.0</td>
<td>6.8</td>
<td>35.3</td>
</tr>
<tr>
<td>ZAIL 2006-SN32 M7</td>
<td>8/25/2006</td>
<td>7.73%</td>
<td>618</td>
<td>74</td>
<td>CA 43%</td>
<td>FL 4%</td>
<td>18.5</td>
<td>100.0</td>
<td>6.4</td>
<td>25.5</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Ibox, Prospectus; Current data used where available

---

**Note:** The table above represents a snapshot of loan-level characteristics for RMBS assets issued in 2006, highlighting key metrics such as issue date, coupon rate, MCO, LTV, length, CDO tier, final and first incurrence, value, and price. Each row corresponds to a specific security type, with details on the maturity and financial standing of the underlying assets. The data source includes Bloomberg, Ibox, and Prospectus, with current data utilized as available.
## Loan-Level Characteristics of RMBS Assets

<table>
<thead>
<tr>
<th>Bloomberg Ticker</th>
<th>Primary Servicer</th>
<th>Current Support</th>
<th>Delq Support</th>
<th>Bankrupt F&amp;I</th>
<th>REO Foreclosure</th>
<th>Delq 60</th>
<th>Delq 90</th>
<th>Delq 120</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHLT 2005-8 MB</td>
<td>Fremont</td>
<td>5.1</td>
<td>4.6</td>
<td>0.3</td>
<td>0.1</td>
<td>3.7</td>
<td>4.6</td>
<td>5.4</td>
</tr>
<tr>
<td>SACR 2006-1HC B</td>
<td>HomeEquity</td>
<td>6.4</td>
<td>5.2</td>
<td>0.4</td>
<td>0.4</td>
<td>7.6</td>
<td>8.0</td>
<td>4.2</td>
</tr>
<tr>
<td>WAMATS 2005-HE2 MB</td>
<td>Wells</td>
<td>4.9</td>
<td>4.1</td>
<td>0.9</td>
<td>0.9</td>
<td>3.8</td>
<td>4.6</td>
<td>4.7</td>
</tr>
<tr>
<td>SVIHE 2006-1OPTZ M7</td>
<td>OptionOne</td>
<td>6.0</td>
<td>4.6</td>
<td>0.3</td>
<td>0.2</td>
<td>3.4</td>
<td>3.3</td>
<td>3.5</td>
</tr>
<tr>
<td>CNH 2005-0C9 B</td>
<td>Countrywide</td>
<td>6.7</td>
<td>3.0</td>
<td>0.9</td>
<td>0.3</td>
<td>3.8</td>
<td>5.2</td>
<td>2.6</td>
</tr>
<tr>
<td>FHLT 2005-8MB</td>
<td>Fremont</td>
<td>5.1</td>
<td>4.6</td>
<td>0.3</td>
<td>0.1</td>
<td>3.7</td>
<td>4.6</td>
<td>5.4</td>
</tr>
<tr>
<td>PAMO 2005-0C8 MB</td>
<td>Countrywide</td>
<td>6.7</td>
<td>3.0</td>
<td>0.9</td>
<td>0.3</td>
<td>3.8</td>
<td>5.2</td>
<td>2.6</td>
</tr>
<tr>
<td>MBAC 2005-HE2 MB</td>
<td>Chase</td>
<td>7.1</td>
<td>5.0</td>
<td>1.4</td>
<td>1.7</td>
<td>3.9</td>
<td>3.6</td>
<td>2.2</td>
</tr>
<tr>
<td>ACE 2006-HE2 MB</td>
<td>Countrywide</td>
<td>6.2</td>
<td>4.6</td>
<td>0.1</td>
<td>0.1</td>
<td>2.9</td>
<td>6.1</td>
<td>4.8</td>
</tr>
<tr>
<td>FHLT 2006-C MB</td>
<td>Fremont</td>
<td>4.3</td>
<td>4.6</td>
<td>0.2</td>
<td>0.0</td>
<td>2.4</td>
<td>3.8</td>
<td>3.2</td>
</tr>
<tr>
<td>ACE 2006-1OPTZ MB</td>
<td>OptionOne</td>
<td>6.0</td>
<td>4.6</td>
<td>0.3</td>
<td>0.4</td>
<td>3.0</td>
<td>4.2</td>
<td>3.5</td>
</tr>
<tr>
<td>ARB 2005-WA MB</td>
<td>Ameriquest</td>
<td>5.9</td>
<td>4.7</td>
<td>0.3</td>
<td>0.4</td>
<td>3.0</td>
<td>4.2</td>
<td>3.5</td>
</tr>
<tr>
<td>FHLT 2005-8M</td>
<td>Fremont</td>
<td>5.1</td>
<td>4.6</td>
<td>0.3</td>
<td>0.1</td>
<td>3.7</td>
<td>4.6</td>
<td>5.4</td>
</tr>
<tr>
<td>PAMO 2005-0C8 MB</td>
<td>Countrywide</td>
<td>6.7</td>
<td>3.0</td>
<td>0.9</td>
<td>0.3</td>
<td>3.8</td>
<td>5.2</td>
<td>2.6</td>
</tr>
<tr>
<td>MBAC 2005-HE2 MB</td>
<td>Chase</td>
<td>7.1</td>
<td>5.0</td>
<td>1.4</td>
<td>1.7</td>
<td>3.9</td>
<td>3.6</td>
<td>2.2</td>
</tr>
<tr>
<td>ACE 2006-HE2 MB</td>
<td>Countrywide</td>
<td>6.2</td>
<td>4.6</td>
<td>0.1</td>
<td>0.1</td>
<td>2.9</td>
<td>6.1</td>
<td>4.8</td>
</tr>
<tr>
<td>FHLT 2006-C MB</td>
<td>Fremont</td>
<td>4.3</td>
<td>4.6</td>
<td>0.2</td>
<td>0.0</td>
<td>2.4</td>
<td>3.8</td>
<td>3.2</td>
</tr>
<tr>
<td>ACE 2006-1OPTZ MB</td>
<td>OptionOne</td>
<td>6.0</td>
<td>4.6</td>
<td>0.3</td>
<td>0.4</td>
<td>3.0</td>
<td>4.2</td>
<td>3.5</td>
</tr>
<tr>
<td>ARB 2005-WA MB</td>
<td>Ameriquest</td>
<td>5.9</td>
<td>4.7</td>
<td>0.3</td>
<td>0.4</td>
<td>3.0</td>
<td>4.2</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Ilex, Prosperis; Current data used where available
VI. Comparison of Levered RMBS Structures
Comparison of Levered RMBS Structures
Transaction Variant Summary

- Given that there are a variety of products allowing investors to take levered exposure to RMBS, it is important to understand structural similarities and differences.
- We will consider three distinct types of transactions in this comparison:

<table>
<thead>
<tr>
<th>NAME</th>
<th>GENERAL DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashflow CDX</td>
<td>Fully issued transaction in which a selection agent or third-party collateral manager selects the assets to be repackaged through CDX. Cash proceeds from collateral assets flow through a waterfall to pay the issued notes, which are broadly syndicated.</td>
</tr>
<tr>
<td>Bespoke Transaction</td>
<td>Customized transaction negotiated between the origination desk and a “sponsor” investor/portfolio manager, who generally takes credit risk at one or more layers of the capital structure. Layers of risk not assumed by “sponsor” investor/portfolio manager are either hedged by the structured product correlation desk or distributed in subsequent offerings.</td>
</tr>
<tr>
<td>Tranched ABX</td>
<td>Standardized ABX tranche trading referencing both the Aa2X and Aa3X variants of the on-the-run and immediately off-the-run ABX:HE indices. The product has sponsorship from all ABX dealers and uses a market standard confirm.</td>
</tr>
<tr>
<td>Comparison of Levered RMBS Structures</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Transaction Variant Comparison</td>
<td></td>
</tr>
<tr>
<td>■ Ando</td>
<td>Cashflow CDO</td>
</tr>
<tr>
<td>Type</td>
<td>Cashflow Structural Product CDO</td>
</tr>
<tr>
<td>Tranche</td>
<td>Cash Flow or Single Name CDO</td>
</tr>
<tr>
<td>Tranche CDO</td>
<td>Traded Ag</td>
</tr>
<tr>
<td>Anomalies</td>
<td>Modified Repack</td>
</tr>
<tr>
<td>Capability</td>
<td>NCLLC Options of Majority of Tranche Holders</td>
</tr>
<tr>
<td>No Cash Rights</td>
<td>No</td>
</tr>
<tr>
<td>Cashflow Material Trigger</td>
<td>Yes</td>
</tr>
<tr>
<td>Manager</td>
<td>Yes</td>
</tr>
<tr>
<td>Single-Point Rating</td>
<td>No</td>
</tr>
<tr>
<td>Tranche</td>
<td>No</td>
</tr>
<tr>
<td>Trading/Reinvestment Period of Static Securitization</td>
<td>5 Years</td>
</tr>
<tr>
<td>Tranche</td>
<td>No</td>
</tr>
<tr>
<td>Standardized Documentation</td>
<td>Yes</td>
</tr>
<tr>
<td>Transparent Rating</td>
<td>No</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000892564
<table>
<thead>
<tr>
<th>Transaction Variant Comparison (Continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparison of Levered RMBS Structures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Feature</th>
<th>Tranche ABX</th>
<th>Close-Out CDO</th>
<th>Tranche Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche ABX</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Close-Out CDO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tranche Transaction</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Feature</th>
<th>Tranche ABX</th>
<th>Close-Out CDO</th>
<th>Tranche Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche ABX</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Close-Out CDO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tranche Transaction</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factoring Risk: Inherent Rate, Match Risk</th>
<th>Tranche ABX</th>
<th>Close-Out CDO</th>
<th>Tranche Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate by Structured Product Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate by Structured Product Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate by Structured Product Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-00092585

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 00363 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
## Comparison of Levered RMBS Structures

**Comparison of Key Structural Differences**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Alternatives</th>
<th>Description</th>
<th>Comment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Amortizations</td>
<td>Sequential</td>
<td>Amortizations allocated sequentially</td>
<td>Best for senior debt holders, worst for equity holders</td>
</tr>
<tr>
<td>Modified</td>
<td>Amortizations allocated sequentially to each tranche until the target OC ratio (set at a level greater than initial OC ratio) is reached, then amortizations are allocated to subordinate tranches</td>
<td>Generally used for non-sequential GS transactions</td>
<td></td>
</tr>
<tr>
<td>Modified Pro-Rata</td>
<td>Amortizations allocated in a pro-rata fashion until total portfolio amortizations total 50% of initial balance</td>
<td>Worst for senior debt holders, best for equity holders</td>
<td></td>
</tr>
<tr>
<td>Callability</td>
<td>No Call</td>
<td>Transaction may not be optionally terminated in part or in whole</td>
<td>Best for debt holders</td>
</tr>
<tr>
<td></td>
<td>Call</td>
<td>Transaction may be terminated in whole after the non-call period given a majority vote of the equity holders</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tranche by Tranche</td>
<td>Transaction may be terminated either in part or in whole at the option of the protection buyer</td>
<td>Worst for debt holders</td>
</tr>
<tr>
<td>Triggers</td>
<td>Yes</td>
<td>Built-in mechanism that directs cashflows from equity and potentially junior debt to senior debt should overcollateralization and/or interest coverage metrics underperform initial expectations</td>
<td>Generally good for repayment of debt, can be detrimental to junior debt holders if performance metrics deteriorate too quickly</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>No cashflow diversion based on metric underperformance</td>
<td>Simple to model when compared to transactions with triggers: debt cashflows only reduced when subordination has fully eroded</td>
</tr>
</tbody>
</table>

*Assumes all else equal
## Equity Yield Profile – Interest Rate Sensitivity

<table>
<thead>
<tr>
<th>Forward LIBOR</th>
<th>Equity Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>-500 bps</td>
<td>21.3%</td>
</tr>
<tr>
<td>-100 bps</td>
<td>22.7%</td>
</tr>
<tr>
<td>-200 bps</td>
<td>24.1%</td>
</tr>
<tr>
<td>+200 bps</td>
<td>25.8%</td>
</tr>
<tr>
<td>+250 bps</td>
<td>27.0%</td>
</tr>
</tbody>
</table>

3. Assumptions include economies of scale derived from our view that 5-year LIBOR is the most relevant policy rate for financial intermediaries, particularly in light of recent regulatory changes.

Confidential Treatment Requested by Goldman Sachs
## Equity Yield Profile – Prepayment Sensitivity

Prepayment Rate Sensitivity \(1,2,3,a\)
(Assuming 0.0% CDR, 8 Year Auction Call)

<table>
<thead>
<tr>
<th></th>
<th>Fast Case Prepayment Scenario(1,a)</th>
<th>Base Case Prepayment Scenario(1,a)</th>
<th>Slow Case Prepayment Scenario(1,a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Yield</td>
<td>23.0%</td>
<td>24.1%</td>
<td>27.8%</td>
</tr>
</tbody>
</table>

1. Base Case Prepayment Scenario assumes: pricing prepayment speed
2. Fast Case Prepayment Scenario assumes: 100% of the pricing prepayment speed
3. Slow Case Prepayment Scenario assumes: 50% of the pricing prepayment speed
4. See "Modeling Assumptions" for additional assumptions used.
<table>
<thead>
<tr>
<th>Call Year</th>
<th>Option Call Sensitivity (^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Assuming 0.0% CDR)</td>
</tr>
<tr>
<td>Equity Yield (Assets called at 0 bps tighter)</td>
<td>28.1% 28.4% 27.3% 25.8% 24.5% 24.1%</td>
</tr>
<tr>
<td>Equity Yield (Assets called at 20 bps tighter)</td>
<td>29.4% 28.9% 27.5% 25.8% 24.5% 24.1%</td>
</tr>
<tr>
<td>Equity Yield (Assets called at 40 bps tighter)</td>
<td>30.8% 29.4% 27.6% 25.9% 24.5% 24.1%</td>
</tr>
<tr>
<td>Equity Yield (Assets called at 60 bps tighter)</td>
<td>32.1% 29.9% 27.8% 25.9% 24.5% 24.1%</td>
</tr>
<tr>
<td>Equity Yield (Assets called at 80 bps tighter)</td>
<td>33.3% 30.3% 28.0% 25.9% 24.5% 24.1%</td>
</tr>
<tr>
<td>Equity Yield (Assets called at 100 bps tighter)</td>
<td>34.8% 30.8% 28.1% 25.9% 24.5% 24.1%</td>
</tr>
</tbody>
</table>

\(^1\) All assumptions are based on the Modeling Assumptions except for call dates and spread tightening as specified in the tables. See "Modeling Assumptions."
VII. Modeling Assumptions

Note: The information in this section is preliminary and subject to change.
## Modeling Assumptions

Assumptions applicable to modeling runs (there can be no assurance that the transaction will reflect these assumptions):

<table>
<thead>
<tr>
<th>Liability Structure</th>
<th>Par</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class D Notes</td>
<td>$3.0 MM</td>
</tr>
<tr>
<td>Class A-1 Notes</td>
<td>$300.0 MM</td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>$75.0 MM</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>$40.0 MM</td>
</tr>
<tr>
<td>Class C Notes</td>
<td>$35.0 MM</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>$28.5 MM</td>
</tr>
<tr>
<td>Class E Notes</td>
<td>$6.0 MM</td>
</tr>
<tr>
<td>Income Notes</td>
<td>$15.0 MM</td>
</tr>
</tbody>
</table>

- LIBOR rates are based on the forward curve as of February 20, 2007.
- The Equity yields are calculated using the XIRR function in Microsoft Excel.
- The Closing Date is May 12, 2007; the first Payment Date is October 12, 2007.
- The CDO is 100% invested at the Closing Date.
- Coupon and margin over LIBOR are based on the portfolio composition as of February 20, 2007 and are calculated based on the weighted average expected coupon and spread on the projected remaining asset pool outstanding during each period.
- Expenses are paid at the end of each period at 4.125 bps per annum of the outstanding collateral balance.

Potential investors should review the Final Offering Circular relating to the Preferred Shares, including the descriptions of Risk Factors contained in such Offering Circular prior to making a decision to invest in the Income Notes. This Offering Circular will supersede the document in its entirety.
Modeling Assumptions

Assumptions applicable to modeling runs (there can be no assurance that the transaction will reflect these assumptions):

- Any sale proceeds and scheduled and unscheduled Notional Reductions will be used, first, to redeem the Class A Notes until the Senior Overcollateralization ratio reaches [136.7%], second, to redeem the Class B Notes until the Class B Note Overcollateralization reaches [122.5%], third, to redeem the Class C Notes until the Class C Note Overcollateralization reaches [112.2%], fourth, to redeem the Class D Notes until Class D Note Overcollateralization reaches [105.8%], fifth to redeem the Class E Notes until the Class E Note Overcollateralization reaches [103.4%]. Once each respective target overcollateralization level is reached, proceeds are passed to the Income Notes. When the principal balance of Collateral Assets reaches $[200,000,000], the Notes remaining at that point are amortized sequentially.

- Class A/B OC Test level is [116.0%], Class C OC Test level is [107.2%], the Class D OC Test level is [100.0%], and the Class E OC Test level is [101.4%].

- Payments to the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes are made on the 12th of each month; payments to the Income Notes are made on the 12th day of every April, July, October, and January.

- All proceeds from collateral are assumed to be received 12 days prior to each payment date.

- While held in cash, all proceeds from collateral are assumed to earn a per annum rate of 1.50%.

- No trading gains or call premiums are assumed.

- Defaults commence at the end of month 12 and continue through the life of the transaction.

- Recoveries are realized immediately upon default. The assumed recovery rate is 35%
Appendix A – Portfolio Asset List

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000892594

Note: The information in this section is preliminary and subject to change.
### Portfolio Composition

#### Comprehensive Collateral Asset List:

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Asset Name</th>
<th>Original Face</th>
<th>Factor</th>
<th>Current Face</th>
<th>Moody's</th>
<th>S&amp;P</th>
<th>Fitch</th>
<th>Avg Life</th>
<th>Asset Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>64382XLA7</td>
<td>NCM&amp;T 2006-2 MB</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BBB+</td>
<td>2.53</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>03070ZMM5</td>
<td>ANG 2005-AH M6</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.48</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>61744CJQ4</td>
<td>MSAC 2005-NQ2 B3</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>2.81</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>61744CHZ4</td>
<td>MSAC 2006-NQ3 B3</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.90</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>64382XNA7</td>
<td>NCM&amp;T 2006-1 MB</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>2.22</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>03070ZMR3</td>
<td>ANG 2005-AH2 M6</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.97</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>04070Q0Y6</td>
<td>ARES 2006-HE2 M7</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>2.23</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>1730705I8</td>
<td>CMIT 2006-CP7 M6</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.24</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>4606898W1</td>
<td>JPMAC 2008-CV2 M4</td>
<td>3,000,000</td>
<td>1.000</td>
<td>3,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>4.12</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>61744CQ84</td>
<td>MSAC 2006-HE1 B3</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>2.17</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>61744CQ84</td>
<td>MSAC 2005-HE2 B3</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>2.57</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>65100AAM2</td>
<td>NCM&amp;T 2005-1 MB</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>4.32</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>17298AJH6</td>
<td>CMIT 2008-NC1 M5</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.67</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>813766H74</td>
<td>SAEF 2006-FR3 B2</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BBB+</td>
<td>4.89</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>83111M742</td>
<td>SVHC 2006-CPT2 M7</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BBB+</td>
<td>3.43</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>1260703A3</td>
<td>CWC 2005-NC1 B</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.75</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>14438FAB2</td>
<td>CARW 2006-NC2 M9</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.55</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>40028J2A0</td>
<td>JPYMAC 2006-NC1 M9</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.97</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>40028J2A0</td>
<td>JPYMAC 2006-NC2 M9</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>4.02</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>6620MA173</td>
<td>WHEU 2006-HE1 M9</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.51</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>060104150</td>
<td>WRIS 2006-WAH M9</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.88</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>58231B1C7</td>
<td>WLM 2006-FA1 B2</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>3.87</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>83611M6E1</td>
<td>SVHC 2005-DIO M8</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>A+</td>
<td>3.00</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>8639P6A98</td>
<td>SASC 2006-NC1 W8</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB+</td>
<td>4.08</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>1280702C8</td>
<td>CWC 2006-1 M8</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>A+</td>
<td>3.76</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>5760FAA56</td>
<td>MABS 2006-AQ2 M8</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>A+</td>
<td>3.73</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>6440YAMY7</td>
<td>NCHET 2006-2 M9</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>A+</td>
<td>4.03</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>86310KAM9</td>
<td>SAIL 2006-NC1 M6</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BBB</td>
<td>4.38</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>1280702L6</td>
<td>CWC 2005-1 M6</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BBB</td>
<td>3.65</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
<tr>
<td>59502AMX6</td>
<td>MUJ 2006-MUX1 B2</td>
<td>5,000,000</td>
<td>1.000</td>
<td>5,000,000</td>
<td>Baa2</td>
<td>BBB+</td>
<td>4.19</td>
<td>RMBS Subprime</td>
<td></td>
</tr>
</tbody>
</table>

*1 Portfolio as of February 22, 2007*
## Portfolio Composition

### Comprehensive Collateral Asset List:

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Asset Name</th>
<th>Original Face</th>
<th>Factor</th>
<th>Current Face</th>
<th>Moody's</th>
<th>S&amp;P</th>
<th>Fitch</th>
<th>Average Life</th>
<th>Asset Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>004375FD0</td>
<td>ACCOR 2006-1 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Ba2</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.88</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>04436HE77</td>
<td>AHS 2008-10PT2 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Ba2</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.77</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>060421VC4</td>
<td>ACE 2006-NC1 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Ba3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.55</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>065131DF5</td>
<td>CARR 2005-NC1 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Ba3</td>
<td>BBB</td>
<td>BBB-</td>
<td>3.58</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>22237UA73</td>
<td>CWL 2006-8C2 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Ba3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.72</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>64320LJ28</td>
<td>NCIT 2005-19S M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Ba3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.61</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>76112BE24</td>
<td>RANL 2005-8C6 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.40</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>84220YH03</td>
<td>NCIT 2005-4 A</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Aa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>2.69</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>00422YF34</td>
<td>ACE 2005-HE4 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Ba3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.13</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>230725TB2</td>
<td>AMBS 2005-HW M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>2.99</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>145741F00</td>
<td>CARR 2006-NC1 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.77</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>302865AP8</td>
<td>GSAMF 2006-NC2 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.06</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>409329K50</td>
<td>HASC 2006-0F1 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.07</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>409329K63</td>
<td>HASC 2006-0F1 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.10</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>409329K75</td>
<td>HASC 2006-0F1 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.44</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>35725GA8T</td>
<td>FHIT 2006-BR M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.19</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>39304JW44</td>
<td>HNWB 2006-HE2 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.67</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>57461JN01</td>
<td>MA2005-NC2 M</td>
<td>1,000,000</td>
<td>1.00</td>
<td>1,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>2.98</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>61744CWE2</td>
<td>MSAC 2005-HE8 B2</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.86</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>004428AN6</td>
<td>ACE 2006-HE3 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.79</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>35725TAP7</td>
<td>FHIT 2006-C M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.07</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>00442AP5</td>
<td>ACE 2006-CP1 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.83</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>04511GWQ1</td>
<td>ABHSE 2006-HE2 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.54</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>48858W4A4</td>
<td>IQG 2006-HE2 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.17</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>64320VR09</td>
<td>NCIT 2005-19S M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.69</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>61744CL27</td>
<td>MDC 2005-HE5 B2</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.54</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>31655LAM0</td>
<td>FMIC 2006-2 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>3.35</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>437857AP3</td>
<td>HEAT 2005-6 M</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>4.00</td>
<td>RMBS Mid-grade</td>
</tr>
<tr>
<td>61744CS02</td>
<td>MSAC 2005-NC1 B2</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa3</td>
<td>BBB</td>
<td>BBB+</td>
<td>2.42</td>
<td>RMBS Subprime</td>
</tr>
<tr>
<td>62545FAC8</td>
<td>VRSNG 2006-1A B1</td>
<td>5,000,000</td>
<td>1.00</td>
<td>5,000,000</td>
<td>Baa1</td>
<td>BBB+</td>
<td>6.81</td>
<td>RMBS CDO</td>
<td></td>
</tr>
</tbody>
</table>

* Portfolio as of February 22, 2007*
Appendix B – Goldman Sachs Contact Information
Anderson Mezzanine Funding 2007-1, Ltd.
Team Contact Information

Goldman, Sachs & Co. – Structuring and Placement Agent

Structured Product CDOs – Structuring, Marketing, and Principal Investments

Peter Ostrem, Managing Director (212) 357-4017
Matt Bieber, Vice President (212) 357-9193
Michelle Chilton, Vice President (212) 352-2881
John X. Li, Associate (212) 602-2592
Shelly Lin, Analyst (212) 357-9944
Eric Segel, Analyst (212) 357-8753

Syndication

Bunty Bohra, Managing Director (212) 902-7945
Scott Wisenbaker, Vice President (212) 902-2858
Om Chaudhary, Vice President +91 (3) 6437-7108
Mitchel Resnick, Executive Director +44 (20) 7774-3068
Tetsuya Ishikawa, Associate +44 (20) 7774-1025
Footnote Exhibits - Page 4444

From: Bieber, Matthew G.
To: Steffelin, Edward
BCC: 
Subject: Re: ACA Meeting

"ANOT" is #100g tickets for Anderson. Let me come back with a few times on Monday. Would be good to have Wenbo there.

-----Original Message-----
From: Steffelin, Edward (mailto:estaffelin@gsp.com)
Sent: Wednesday, March 28, 2007 4:27 PM
To: Bieber, Matthew G.
Subject: Re: ACA Meeting

Who is ANOT - monday we are pretty open and wenbo is out on friday

Edward Steffelin - estaffelin@gsppartners.com GSC Group
12 East 49th Street, Suite 3200
New York, New York 10017
212-884-6190
212-884-6194 FAX

-----Original Message-----
From: Bieber, Matthew G. (mailto:matthew.bieber@gsp.com)
To: Steffelin, Edward
Sent: Wed May 29 15:10:03 2007
Subject: ACA Meeting

They came back and asked to do meeting in person. Doesn’t have to be this Friday, if that’s no good for you – they can also do early next week. Questions on ANOT – but also want to do managers due diligence. They’ve heard the GSC tech shows well – so want to meet in person.

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com/disclaimer/email-salesandtrading.html for important risk disclosure, conflicts of interest and other terms and conditions relating to this e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/disclaimer/email/ for further information on confidentiality and the risks of non-secure electronic communication. If you cannot access these links, please notify us by reply message and we will send the contents to you.

1

Confidential Treatment Requested by Goldman Sachs

Wall Street & The Financial Crisis
Report Footnote #2344

GS MBS-E-014419176
Footnote Exhibits - Page 4445

From: Lin, Shelly
Sent: Thursday, January 03, 2008 6:06 PM
To: Case, Benjamin
Subject: RE: LAA Deal Summary for Dan
Attachments: Deal Summary.xls

Please use this version -- the other one had external links to the TAP output. This version is saved in the folder.

Deal Summary.xls

From: Lin, Shelly
Sent: Thursday, January 03, 2008 6:06 PM
To: Case, Benjamin
Subject: LAA Deal Summary for Dan

See attached. It's also saved in the Liquidation Agent Information Folder:
V:\RCP\Market Research_DIR\Mortgage Credit Derivatives\Liquidation Agent Information\Deal Summary

I'm still trying to get marks for the cash bonds in the Houlihan and Hudson High Grade. I'll send you an updated spreadsheet when I have the levels.

<< File: Deal Summary.xls >>
For R2, let's get whatever marks we provided on any tranches on The Wolf and Point.
Please list in the below time range (doesn't have to be on those precise dates) and we will
go from there.

----- Original Message ----- 
From: Bieber, Matthew G.
To: Lee, Jay; Lehman, David A.; Creed, Christopher J; Williams, Geoffrey; ficc-epcdo
Cc: Chaudhary, Omer; Reznick, Mitchell R; Sugihara, Hirokata
Subject: RE: Asia requests

1) All the W&F's for each deal were pulled from Intex. Spot checked a few that were
missing from the attached spreadsheet and was unable to pull them up manually - looks like
we're going to have to go with what was sent.

2) LOL.

3) I took a look back at the total number of CUSIPs from a look through back in May - and
I still see approximately 4500 CUSIPs. They may be looking at total CUSIPs rather than
unique CUSIPs. If that's the case, then the 7000 number sounds close to correct - although
I think the number back in May was 8050. The marketing book for the deal also mentions
approx 4200 unique CUSIPs (though I don't recall whether this was sent to them)

4) Shelly is sending

----- Original Message ----- 
From: Lee, Jay
Sent: Wednesday, August 22, 2007 1:45 PM
To: Lehman, David A.; Creed, Christopher J; Williams, Geoffrey; ficc-epcdo
Cc: Chaudhary, Omer; Reznick, Mitchell R; Sugihara, Hirokata
Subject: Asia requests

Apologies for any requests that have already been sent over separately --

1) BB Life asking again on Timberwolf whether we can get W&F's for deals that were not
sent in the trampers file. Please see attached on the W&F tab to see what I sent.
There were W&F's for 40 of the 55 CDO deals. I originally told them we could not when I
first sent the file, but they want to check again.

2) Tokyo Star wants historical offer-side DM's on Point Pleasant and Timberwolf for
the following dates across the capital structure. The purpose is to get more color on how the
CDO2 market has changed since when we marketed the deals to them, and we've already
rejected their request to provide generis DM's on all CDO2 deals on the grounds that the
market is too differentiated. Regarding this request, we have already told them the
following: a) we might be able to provide anything in writing (written only); b) if we can
provide levels they will probably be dollar prices (not DM's) and they can use Bloomberg
to estimate DM's on a p-p-basis if that's what they really want, c) we might not be
able to provide offer-side levels for all dates.

Can we do the best we can to get them what they want?

<Offer DM on Timberwolf:>
  1-Apr 15-Apr 30-Apr 1-May 15-May 30-May 1-Jun 15-Jun 30-Jun
AAA(A)senior
AAA(junior)

Permanent Submitter on Investigations
Wall Street & The Financial Crisis
Report Footnote #2347

Confidential Treatment Requested by Gol

GS MBS-E-09/1927784
3) Tokyo Star is asking why there is such a big discrepancy between CUSIP counts from May (before they bought) and August (after they bought) on Timberwolf. May's CUSIP counts were much higher (7000+) compared to the data we are now providing (4000+). We told them there is changes in data from third party sources as well as our own techniques for exploding the data. Was wondering if there was any incremental information that you have on this -- if not, we should be able to handle.

4) Grier Life, who is looking at GIC 06-3NG, is asking if we can show the updated ratings on the underlying portfolio (given the recent rating changes, especially the ones announced August 16th on Alt-A downgrades)
Subject: Re: Questions you had asked

Dillon read: 1 bb deal, 50/50 risk.

Greywolf: 1 bb deal, now basically on risk because losses thru the greywolf upfront 50 percent first loss.

----- Original Message ----- 
From: Sparks, Daniel L
To: Sparks, Daniel L
Sent: Mon Feb 26 08:13:46 2007
Subject: Re: Questions you had asked

Is that our half of the warehouse. Who is doing them with us or is it all ours

----- Original Message ----- 
From: Sparks, Daniel L
To: Sparks, Daniel L
Sent: Mon Feb 26 08:32:06 2007
Subject: Re: Questions you had asked

Roughly 2 bb, and they are the deals to worry about. Focus is super-b senior, which if we get done will make them work

----- Original Message ----- 
From: Sparks, Daniel L
To: Sparks, Daniel L
Sent: Mon Feb 26 08:43:29 2007
Subject: Re: Questions you had asked

cds squared--how big and how dangerous

----- Original Message ----- 
From: Sparks, Daniel L
To: Sparks, Daniel L
Sent: Mon Feb 26 07:14:49 2007
Subject: Re: Questions you had asked

Roughly 2 bb high grade deals and 2 bb cds squared.

in client meeting in greenwich and can give more details in hour and half

----- Original Message ----- 
From: Montag, Tom
To: Sparks, Daniel L
Sent: Mon Feb 26 07:31:49 2007
Subject: Re: Questions you had asked

So what is total of cd warehouse after liquidation by sector

----- Original Message ----- 
From: Sparks, Daniel L
To: Montag, Tom

Confidential Treatment Requested by Gol...
Footnote Exhibits - Page 4452

Sent: Mon Feb 26 06:47:43 2007
Subject: Re: Questions you had asked

Still subprime, but only outright bbb subprime in in gc deal we may liquidate. Other subprime in form of a, aa, aaa subprime and in form of b-rated cdo's (greywolf and dillon read).

----- Original Message -----
From: Montgomery, Tom
To: Sparks, Daniel L
Subject: Re: Questions you had asked

Thanks. So no warehouse in subprime? What about greywolf-what is in that

----- Original Message -----  
From: Sparks, Daniel L
To: Montgomery, Tom
Cc: Rusticker, Richard
Sent: Sun Feb 25 20:34:10 2007
Subject: Questions you had asked

Last week the trading desks did the following:

(1) Cover around $1.5 billion single name subprime BBB CDO and around $700mm single name subprime BBB CDO. The desk also net sold over $400mm BBB- ANX Index. Desk is net short, but less than before. Shorts are in senior tranches of indexes sold and in single names. Plan is to continue to trade from short side, cover more single names and sell BBB- index outright.

(2) The CDO business liquidated 3 warehouses for deals of $950mm (about half risk was subprime related). Business also began liquidation of BBB- CDOs. All synthetics done, cash bonds will be sold in next few days. One more CDO warehouse may be liquidated this week - approximately $300mm with GCC as manager. That will leave us with 2 large CDOs of A-rated CDOs. 2 high grade deals with limited subprime risk, and 2 other small warehouses that are on hold. Getting super-senior done on CDOs is the critical path, and that is where the focus is - for the CDOs of CDOs, NAVIs (REIs) on Dillow Reid deal and Wincon (London) on Greywolf deal.

2

Confidential Treatment Requested by Goldman Sachs  

GS MBS-6-010988242
Of course -- will you be circulating a draft of the email for Gary?

-----Original Message-----
From: Wiesel, Elisha
Sent: Monday, May 14, 2007 8:08 AM
To: Egol, Jonathan
Subject: RE: Gameplan - asset model analysis

The. Would value your taking a close look at the email to Gary, want to be 100% in sync w trading desk in our description of how we think we’re going to value the portfolio.

----- Original Message -----  
From: Egol, Jonathan
To: Wiesel, Elisha; Burchard, Paul; Lehman, David; Sparke, Daniel; Swenson, Michael; Birnbaum, Josh;enter; Jeremy; Turok, Michael
Cc: Byrfman, Lester M
Sent: Mon May 14 08:08:21 2007
Subject: RE: Gameplan - asset model analysis

I think we can look at the 2x CDS CDS scenario Paul provided below as a proxy.

-----Original Message-----
From: Wiesel, Elisha
Sent: Monday, May 14, 2007 7:57 AM
To: Egol, Jonathan; Burchard, Paul; Lehman, David; Sparke, Daniel; Swenson, Michael; Birnbaum, Josh; Primers; Jeremy; Turok, Michael
Cc: Byrfman, Lester M
Sent: Mon May 14 07:57:38 2007
Subject: RE: Gameplan - asset model analysis

Can we not incorporate the cds bid/offer by running Paul’s analysis on $.25 below at shocked 2000 cds levels?

-----Original Message-----
From: Egol, Jonathan
Sent: Monday, May 14, 2007 5:28 AM
To: Burchard, Paul; Wiesel, Elisha; Lehman, David; Sparke, Daniel; Swenson, Michael; Birnbaum, Josh; Primers; Jeremy; Turok, Michael
Cc: Byrfman, Lester M
Sent: Sun May 14 05:28:37 2007
Subject: RE: Gameplan - asset model analysis

This correlation analysis does not incorporate 2 things:
- cds bid/offer
- cashflow triggers (underlying level)

For names where the underlying has been externalized, the cds offered side spread is going to be close to 2x the current quoted spread for many underlying. It will be important to use the cds cds trading franchise to source hedge the bid side at the win side of the market.

The downgrade sensitivity of the underlying issuers cashflow triggers means that is some hard to quantify; probability that some or all names essentially jump to default.

----- Original Message -----
From: Burchard, Paul
Footnote Exhibits - Page 4454

To: Wiesel, Eli; Lehman, David A.; Sparks, Daniel L.; Swenson, Michael; Birnbaum, Josh; Egel, Jonathan; Primmer, Jeremy; Turck, Michael
Cc: Brahm, Lester R.
Sent: Mon May 14 00:45:22 2007
Subject: Re: Gameplan - asset model analysis

One point of this correlation analysis is that it provides a relative value argument about how to hedge the 30yr 2yr. It indicates (as the desk is aware) that it is currently cheaper to buy protection against the 30yr level than at the 2yr level to the extent that we can put on this hedge, we can remove the higher (70 cent) price, no matter how bad MBS looks.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----  
From: Wiesel, Eli
To: Ruchkard, Paul; Lehman, David A.; Sparks, Daniel L.; Swenson, Michael; Birnbaum, Josh; Egel, Jonathan; Primmer, Jeremy; Turck, Michael
Cc: Brahm, Lester R.
Sent: Mon May 14 00:01:47 2007
Subject: Re: Gameplan - asset model analysis

David - We spoke briefly to Ben and Edwin earlier this evening and asked them if it would be possible to come up with CDS marks for any missing BBB/BBA- MBS deals as well as a heuristic for marking any high-grade tranche by vintage. As Paul says below, this would really help us run results through the asset model (as well as through the RV model analysis we'd discussed doing) for CDOs. I realize this might be painful (several thousand underlying MBS deals might need to be marked) but we'd like to come back to you when we have some stats on what we're missing and brainstorm on a good way to do this.

From: Ruchkard, Paul
To: Lehman, David A.; Sparks, Daniel L.; Wiesel, Eli; Swenson, Michael; Birnbaum, Josh; Egel, Jonathan; Primmer, Jeremy; Turck, Michael
Cc: Brahm, Lester R.
Subject: Re: Gameplan - asset model analysis

We estimate the value of the Timberwolf CDO's by applying a correlation model (the asset model). We have three questions to answer:

1. Based on marks for the single A CDOs under the CDO's, what should be the value of the Timberwolf CDO?
2. Based on marks for the MBS under the single A CDOs, what should be the marks on the CDOs that went into [1]?
3. In both [1] and [2], what market evidence do we have for the correlation that takes us from underlier valuation to the valuation one level up?

In brief, the answers we find are:

1. Based on current single-A CDO marks, the AA tranche of Timberwolf would have a price of 70 cents on the dollar. The price is not sensitive to correlation at these levels.
2. Based on a small sample of single-A CDOs for which we have complete underlier marks, we believe that the risks of the MBS underliers are frequently not fully reflected in marks on the CDOs. If the trends in this small sample are extrapolated, the fair spreads on the CDOs could even be double where they are marked now! If that were the case, the spread of the AA tranche of Timberwolf would actually be 35-41 cents on the dollar, depending on the correlation.
3. Recent Aaa/Aa CDOs and C02 have been marked with correlations in the 20-30% range. Median sector marks for mornie MBS imply a correlation of 22%.

Clearly, the next step is to get marks on more of the MBS underliers in order to be

Confidential Treatment Requested by Goldman Sachs

GB MBS-E-003361239
able to run more of the CDSs in Timberwolf through a model.

For (1), we find the following relationship between price of the A2 tranche of Timberwolf and the correlation. The results are also shown when all the underlying spreads are multiplied by a factor of two, based on the results of (2).

<table>
<thead>
<tr>
<th>CDS</th>
<th>Underlying Spread Multipled</th>
<th>Model Price 30%</th>
<th>Model Price 50%</th>
<th>Model Price 70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TWOL:2007-A2</td>
<td>1</td>
<td>72</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>TWOL:2007-A2</td>
<td>2</td>
<td>37</td>
<td>41</td>
<td>44</td>
</tr>
</tbody>
</table>

For (3), we have the following comparison between current spread marks on single-A CDSs, and Gaussian copula model spreads computed from the current spread on their underliers (mostly MBBS). The first three CDSs are Timberwolf underliers. In general, this analysis shows that at current underlier marks, single-A CDSs are equity-like (long correlation). However, per (3), market-implied correlations are low, in the range 20-50%.

<table>
<thead>
<tr>
<th>CDS</th>
<th>Sector</th>
<th>Mark Model 30%</th>
<th>Model 50%</th>
<th>Model 70%</th>
<th>Model 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABAC 2006-HA1 C</td>
<td>CDO High Grade</td>
<td>250</td>
<td>160</td>
<td>125</td>
<td>100</td>
</tr>
<tr>
<td>ADNC 2005-2A C</td>
<td>CDO High Grade</td>
<td>275</td>
<td>185</td>
<td>155</td>
<td>125</td>
</tr>
<tr>
<td>CANB 2005-A C</td>
<td>CDO Mezzanine</td>
<td>655</td>
<td>535</td>
<td>450</td>
<td>350</td>
</tr>
<tr>
<td>FORTS 2005-A1 C</td>
<td>CDO Mezzanine</td>
<td>440</td>
<td>357</td>
<td>297</td>
<td>225</td>
</tr>
<tr>
<td>HUMM 2006-A1 C</td>
<td>CDO Mezzanine</td>
<td>160</td>
<td>143</td>
<td>127</td>
<td>110</td>
</tr>
<tr>
<td>HUMM 2006-2A C</td>
<td>CDO Mezzanine</td>
<td>250</td>
<td>209</td>
<td>179</td>
<td>140</td>
</tr>
</tbody>
</table>

*No trades currently on these ref obs, so marks may be stale.*

From: Lehman, David A.

Sent: Friday, May 11, 2007 7:37 AM

To: Speeke, Daniel Li Wiesel, Elilasha; Swenson, Michael; Ditzmann, Josh;

Cc: Friedman, Nelson; R; Lehman, David A.

Subject: Gamplan

Following up from this afternoon's meeting -

We are going to better evaluate the CDO*2 risk using three distinct frameworks

1) Blended scenario analysis using EPA (Primer)
2) Risk neutral correlation framework, consistent with our current synthetic
   ABS CDSs (Burchard)
3) Simplest loss assumptions on underlyings / Market Value Coverage (Turck)

Let's lock to have something on R1 and R2 to discuss Monday. If I will likely
take some more time give the low coverage. Turck, pls let us know if you can stuff R3 with
our current coverage.

To quote Elilasha -

"Am thinking we want a concise walk-up of each methodology (one paragraph),
with a rank-ordered list of assumptions that show directionality and estimated impact of
each assumption. Also think we want to see results of bounding analysis in writing using
each methodology, with a description of what knob we turned, and how far, to come up the
bounding analysis."

In addition, the specific trading desks are taking a more detailed look # the
ABS/CMBS/CDO/Option Arm/SP CDO assets in the warehouse and in the retained position
account (outside of the CDO*2).

Pls add comment if there is anything I missed

Goldman, Sachs & Co.

65 Broadway | New York, NY 10004

Confidential Treatment Requested by Goldman Sachs

GS MBS-003361240
This material has been prepared specifically for you by the Goldman Sachs Fixed Income Structured Product Group (SPG) Trading Desk and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Additionally, the material is based on certain factors and assumptions as the SPG Trading Desk may in its absolute discretion have considered appropriate. There can be no assurance that these factors and assumptions are accurate or complete, that estimated returns or projections can be realized, or that actual returns or results will not be materially different than those presented. Certain transactions, including those involving ABS, CMOs, and CDOs, may give rise to substantial risk and are not suitable for all investors. The SPG Trading Desk may have accumulated long or short positions in, and buy or sell, the securities that are the basis of this analysis. The SPG Trading Desk does not undertake any obligation to update this material.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-003581241
Footnote Exhibits - Page 4457

From: Burchard, Paul
Sent: Sunday, May 20, 2007 1:08 AM
To: Swenson, Michael; Biberstein, Josh; Lehman, David A.; Ego, Jonathan
Cc: Wexel, Eldad; Yunk, Michael; Primer, Jeremy
Subject: FW: Materials for meeting

PYI - business has asked us for some model prices as part of the discussion about CDO’s marking.

<table>
<thead>
<tr>
<th>Price based on CDO Marks</th>
<th>Price based on RMBS Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>TWOLF 2007-1 A2</td>
<td>36</td>
</tr>
<tr>
<td>TWOLF 2007-1 B</td>
<td>38</td>
</tr>
<tr>
<td>PTPLS 2007-1 A1</td>
<td>30</td>
</tr>
<tr>
<td>PTPLS 2007-1 A2</td>
<td>35</td>
</tr>
<tr>
<td>PTPLS 2007-1 B</td>
<td>43</td>
</tr>
<tr>
<td>PTPLS 2007-1 C</td>
<td>43</td>
</tr>
<tr>
<td>PTPLS 2007-1 D</td>
<td>43</td>
</tr>
</tbody>
</table>

We will supply PTPLS RMBS numbers on Sunday.

Initial results from other modeling approaches based on RMBS marks or fundamentals are generally consistent with the much lower RMBS marks found for Timberwolf.

© Copyright 2007 The Dunne Tactics Group. All rights reserved. See http://www.euro.com/dunnetactics/ourproducts.html for important risk disclosures, conditions of access and other terms and conditions relating to the e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. (receiving@euro.com/dunnetactics) for further information on our confidentiality and the terms of our secure electronic communication. If you receive sensitive data, please notify us by reply message and we will send the correct to you.
In an hour. Boarding to Canberra now.

----- Original Message ----- 
From: Ostrem, Peter L.
To: Bieber, Matthew G.
Sent: Mon Jan 15 14:26:55 2007
Subject: Re: Basis Cap

I'm on the train - will call your cell

----- Original Message ----- 
From: Ostrem, Peter L.
To: Bieber, Matthew G.
Sent: Mon Jan 15 14:25:49 2007
Subject: Re: Basis Cap

Let's discuss. Are you in office?

----- Original Message ----- 
From: Bieber, Matthew G.
To: Ostrem, Peter L.
Sent: Mon Jan 15 14:24:47 2007
Subject: Re: Basis Cap

Did you have a chance to talk to George about sales credits? I've gotten a few inquiries so far and think people are expecting something this week.

As it is right now - we're paying out around 100% in gross gal, but in light of Dan's pushback on Friday, I'm not sure what I should pay - or tell salespeople when they ask what they're getting paid.

----- Original Message ----- 
From: Ostrem, Peter L.
To: Bieber, Matthew G.
Sent: Mon Jan 15 14:03:55 2007
Subject: Re: Basis Cap

Wambulance. They even tried to claim we never covered the LMM loss. Those guys are paranoid and not very sharp. Let's be nice and just sell them stuff going forward.

----- Original Message ----- 
From: Bieber, Matthew G.
To: Ostrem, Peter L.
Sent: Mon Jan 15 13:45:57 2007
Subject: Re: Basis Cap

What happened in the meeting? I take it that it did not go well.
----- Original Message ----- 
From: Cottrell, Peter I 
To: Bieber, Matthew G.; Rosenblum, David J.; Herrick, Barry K; Case, Benjamin; 
Wisebaker, Scott 
Subject: Basis Cap 

They are acting very unprofessional. Disappointed in their inability to comprehend simple math. Anyways, not a good principal partner for near term. However, they are very interested in TCM managed index equity and want meeting at ALF. 

Let's discuss this account when I return.

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4460

From: Swenson, Michael
Sent: Saturday, May 26, 2007 8:03 PM
To: Chm. Edwin; Salem, Deep; Bruns, William; Kaufman, Jordan
Subject: Fw: ABS Sec_0525.xls v1.xls
Attachments: ABS Sec_0525.xls v1.xls

F and I looks a little low we expected at least 90 but let's call it good for qtr end - I say we are approved

----- Original Message -----
From: Freedman, Sheera
To: Swenson, Michael; Bruns, William; Chm, Edwin; Kaufman, Jordan; Case, Benjamin
Cc: Vodola, Matthew
Sent: Sat May 26 17:57:04 2007
Subject: ABS Sec_0525.xls v1.xls

<<ABS 5 c_0525.xls v1.xls>>
Attached is ABS PML - PML is +89M

Confidential Treatment Requested by Goldman Sachs
### Retained & Warehouse - Risk

**7/12/2007**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Retained</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>Retained</td>
<td>Difference</td>
</tr>
<tr>
<td><strong>SP Vvnder</strong></td>
<td>52</td>
<td>70</td>
</tr>
<tr>
<td><strong>Super Senior</strong></td>
<td>1,421</td>
<td>1,421</td>
</tr>
<tr>
<td><strong>Mort 1 AAA</strong></td>
<td>418</td>
<td>291</td>
</tr>
<tr>
<td><strong>AA</strong></td>
<td>379</td>
<td>274</td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>185</td>
<td>164</td>
</tr>
<tr>
<td><strong>BBB</strong></td>
<td>146</td>
<td>146</td>
</tr>
<tr>
<td><strong>BB</strong></td>
<td>99</td>
<td>79</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>119</td>
<td>156</td>
</tr>
<tr>
<td><strong>Total - Retained</strong></td>
<td>2,652</td>
<td>2,560</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Warehouse</th>
<th>Loan Class</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WLI Assets - SP CDO cash + CDS</strong></td>
<td>742</td>
</tr>
<tr>
<td><strong>WLI Assets - RMBS</strong></td>
<td>390</td>
</tr>
<tr>
<td><strong>WLI Assets - CMBS</strong></td>
<td>119</td>
</tr>
<tr>
<td><strong>WLI Assets - CLDO</strong></td>
<td>10</td>
</tr>
<tr>
<td><strong>Total - WLI Transactions</strong></td>
<td>1,361</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hedges</th>
<th>SP CDO CDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedges</td>
<td>153</td>
</tr>
<tr>
<td>Hedges</td>
<td>1,250</td>
</tr>
<tr>
<td>Hedges</td>
<td>1,390</td>
</tr>
<tr>
<td>Hedges</td>
<td>649</td>
</tr>
<tr>
<td>Hedges</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total - Hedges</strong></td>
<td>2,051</td>
</tr>
</tbody>
</table>

---

**Footnote Exhibit Page 4463**

Original document retained in the Subcommittee files.

**Wall Street & the Financial Crisis**

Report Footnote #2406
<table>
<thead>
<tr>
<th>B/S</th>
<th>Qty ($)</th>
<th>Bond</th>
<th>Price</th>
<th>Trade Date</th>
<th>Ctr Pty</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>1.7</td>
<td>TWOLF 0701 B REGS</td>
<td>78.25</td>
<td>7/11/2007</td>
<td>BANK OF AOUL</td>
</tr>
<tr>
<td>S</td>
<td>2.8</td>
<td>TWOLF 0701 B REGS</td>
<td>19.25</td>
<td>7/15/2007</td>
<td>BANK OF AOUL</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TPPLS 0701 A1 REGS</td>
<td>90.70</td>
<td>5/18/2007</td>
<td>KOTO STAR</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>TWOLF 0701 A2 144A</td>
<td>94.33</td>
<td>5/13/2007</td>
<td>BASIS CAPITAL</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>TWOLF 0701 B 144A</td>
<td>77.31</td>
<td>5/13/2007</td>
<td>BASIS CAPITAL</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>COOLIDGE EQUITY</td>
<td>0.00</td>
<td>6/11/2007</td>
<td>CULLE BLU</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TPPLS 0701 A2 144A</td>
<td>84.00</td>
<td>6/11/2007</td>
<td>GARLEY BLU</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>ALTUS I C REGS</td>
<td>94.00</td>
<td>6/11/2007</td>
<td>BUKKUK LIFE</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>TWOLF 0701 A2 REGS</td>
<td>45.50</td>
<td>6/12/2007</td>
<td>BUKKUK LIFE</td>
</tr>
<tr>
<td>S</td>
<td>17.5</td>
<td>ALTUS I I S 144A</td>
<td>100.07</td>
<td>6/30/2007</td>
<td>BUKKUK LIFE</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>ALTUS IV B REGS</td>
<td>0.00</td>
<td>6/5/2007</td>
<td>BUKKUK LIFE</td>
</tr>
<tr>
<td>S</td>
<td>36</td>
<td>ALTUS IV B REGS</td>
<td>98.41</td>
<td>6/4/2007</td>
<td>BUKKUK LIFE</td>
</tr>
<tr>
<td>S</td>
<td>1.4</td>
<td>BNLI 016A A2</td>
<td>69.03</td>
<td>8/1/2007</td>
<td>BUKKUK LIFE</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TWOLF 0701 A2 REGS</td>
<td>83.90</td>
<td>5/30/2007</td>
<td>KOTO STAR</td>
</tr>
<tr>
<td>S</td>
<td>11</td>
<td>TWOLF 0701 INCOME NOTE REGS</td>
<td>70.00</td>
<td>5/24/2007</td>
<td>GREYWOLF CA</td>
</tr>
<tr>
<td>S</td>
<td>40</td>
<td>TPPLS 0701 A2 144A</td>
<td>91.00</td>
<td>5/24/2007</td>
<td>PARAMAX CAP</td>
</tr>
<tr>
<td>S</td>
<td>40</td>
<td>TWOLF 0701 A2 144A</td>
<td>87.00</td>
<td>5/24/2007</td>
<td>PARAMAX CAP</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>FORTEX II A2 144A</td>
<td>92.00</td>
<td>5/23/2007</td>
<td>FORTEX II</td>
</tr>
<tr>
<td>S</td>
<td>620</td>
<td>DSOF VI A1A 144A</td>
<td>96.37</td>
<td>5/25/2007</td>
<td>DSOF VI</td>
</tr>
<tr>
<td>S</td>
<td>620</td>
<td>DSOF VI A1A 144A</td>
<td>99.45</td>
<td>5/22/2007</td>
<td>DSOF VI</td>
</tr>
<tr>
<td>S</td>
<td>150</td>
<td>DSOF VI A1A 144A</td>
<td>96.50</td>
<td>5/18/2007</td>
<td>DSOF VI</td>
</tr>
<tr>
<td>S</td>
<td>30</td>
<td>ALTUS IV A2B 144A</td>
<td>99.75</td>
<td>5/16/2007</td>
<td>IO PENSION</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>ALTUS IV B 144A</td>
<td>100.00</td>
<td>5/15/2007</td>
<td>ALTUS IV</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>ALTUS IV D REGS</td>
<td>100.00</td>
<td>5/15/2007</td>
<td>ALTUS IV</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
<td>ALTUS IV INC NOTES REGS</td>
<td>100.00</td>
<td>5/15/2007</td>
<td>ALTUS IV</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>ALTUS IV A2A REGS</td>
<td>100.00</td>
<td>5/15/2007</td>
<td>ALTUS IV</td>
</tr>
<tr>
<td>S</td>
<td>13</td>
<td>ALTUS IV A2B 144A</td>
<td>100.00</td>
<td>5/15/2007</td>
<td>ALTUS IV</td>
</tr>
<tr>
<td>S</td>
<td>13</td>
<td>ALTUS IV A2B 144A</td>
<td>100.00</td>
<td>5/15/2007</td>
<td>ALTUS IV</td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>ALTUS IV C 144A</td>
<td>97.13</td>
<td>5/15/2007</td>
<td>IO PENSION</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>ALTUS IV C REGS</td>
<td>97.13</td>
<td>5/15/2007</td>
<td>IO PENSION</td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>ALTUS IV D 144A</td>
<td>96.89</td>
<td>5/15/2007</td>
<td>IO PENSION</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>ALTUS IV INC NOTES 144A</td>
<td>100.00</td>
<td>5/15/2007</td>
<td>IO PENSION</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>WESTC 016A B</td>
<td>95.85</td>
<td>5/11/2007</td>
<td>WESTC</td>
</tr>
<tr>
<td>S</td>
<td>18</td>
<td>CAMBER 7 B REGS</td>
<td>94.55</td>
<td>5/11/2007</td>
<td>CAMBER 7</td>
</tr>
<tr>
<td>S</td>
<td>13</td>
<td>CAMBER 7 INC NOTES REGS</td>
<td>98.00</td>
<td>5/12/2007</td>
<td>CAMBER 7</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
<td>GSC 0800 C 144A</td>
<td>85.50</td>
<td>5/9/2007</td>
<td>GSC</td>
</tr>
<tr>
<td>S</td>
<td>30</td>
<td>TWOLF 0701 A1 A144A</td>
<td>98.47</td>
<td>5/22/2007</td>
<td>ITOSEIBAN</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TPPLS 0701 A2 144A</td>
<td>91.36</td>
<td>4/24/2007</td>
<td>MONEGY MANS</td>
</tr>
<tr>
<td>S</td>
<td>6</td>
<td>DSOF VI A3 144A</td>
<td>95.39</td>
<td>4/24/2007</td>
<td>DSOF VI</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TWOLF 0701 A2 144A</td>
<td>97.79</td>
<td>4/23/2007</td>
<td>MONEGY MANS</td>
</tr>
<tr>
<td>S</td>
<td>15</td>
<td>TPPLS 0701 D REGS</td>
<td>81.72</td>
<td>4/19/2007</td>
<td>BASIS CAP</td>
</tr>
<tr>
<td>S</td>
<td>4</td>
<td>HUIDZ 061 INCOME NOTES REGS</td>
<td>91.00</td>
<td>4/16/2007</td>
<td>DILLON READ</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>ANDY 0701 B 144A</td>
<td>100.00</td>
<td>4/13/2007</td>
<td>MBI CONTACT</td>
</tr>
<tr>
<td>S</td>
<td>7</td>
<td>GSC 0900 C 144A</td>
<td>84.79</td>
<td>4/12/2007</td>
<td>GSC</td>
</tr>
<tr>
<td>S</td>
<td>128</td>
<td>TPPLS 0701 A1 144A</td>
<td>100.00</td>
<td>4/11/2007</td>
<td>DILLON READ</td>
</tr>
<tr>
<td>S</td>
<td>85</td>
<td>TPPLS 0701 A2 144A</td>
<td>100.00</td>
<td>4/11/2007</td>
<td>DILLON READ</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>TPPLS 0701 C 144A</td>
<td>100.00</td>
<td>4/11/2007</td>
<td>DILLON READ</td>
</tr>
<tr>
<td>S</td>
<td>14</td>
<td>TPPLS 0701 C 144A</td>
<td>100.00</td>
<td>4/11/2007</td>
<td>DILLON READ</td>
</tr>
<tr>
<td>S</td>
<td>16</td>
<td>TPPLS 0701 D REGS</td>
<td>100.00</td>
<td>4/11/2007</td>
<td>DILLON READ</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>TPPLS 0701 INCOME NOTES REGS</td>
<td>100.00</td>
<td>4/11/2007</td>
<td>DILLON READ</td>
</tr>
<tr>
<td>S</td>
<td>8</td>
<td>TPPLS 0701 D REGS</td>
<td>97.37</td>
<td>4/10/2007</td>
<td>PLENNO ASSE</td>
</tr>
<tr>
<td>S</td>
<td>11</td>
<td>TPPLS 0701 D REGS</td>
<td>88.30</td>
<td>4/13/2007</td>
<td>MARNER BRI</td>
</tr>
<tr>
<td>S</td>
<td>15</td>
<td>LOCH 001 B 144A</td>
<td>90.00</td>
<td>4/5/2007</td>
<td>CHAOFU</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TWOLF 0701 C REGS</td>
<td>96.15</td>
<td>4/4/2007</td>
<td>GREYWOLF CA</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
<td>ANDY 0701 A1B 144A</td>
<td>97.39</td>
<td>4/3/2007</td>
<td>BENEFICIAL</td>
</tr>
<tr>
<td>S</td>
<td>16</td>
<td>TWOLF 0701 C REGS</td>
<td>72.50</td>
<td>4/2/2007</td>
<td>POLYCAL INC</td>
</tr>
<tr>
<td>S</td>
<td>4</td>
<td>FORTEX II D REGS</td>
<td>83.11</td>
<td>3/28/2007</td>
<td>FORTEX II</td>
</tr>
</tbody>
</table>

* Reflects by the Permanent Subcommittee on Investigations*
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S 5</td>
<td>HUOMZ 061 D REGS</td>
<td>83.23</td>
</tr>
<tr>
<td>S 5</td>
<td>COOL C 144A</td>
<td>87.45</td>
</tr>
<tr>
<td>S 11</td>
<td>ANDY 0701 A2 144A</td>
<td>97.24</td>
</tr>
<tr>
<td>S 3</td>
<td>BNLJ 061A A2</td>
<td>96.93</td>
</tr>
<tr>
<td>S 5</td>
<td>ANDY 0701 A2 144A</td>
<td>96.23</td>
</tr>
<tr>
<td>S 10</td>
<td>ANDY 0701 C 144A</td>
<td>92.38</td>
</tr>
<tr>
<td>S 9</td>
<td>BNLJ 061A A2</td>
<td>96.93</td>
</tr>
<tr>
<td>S 15</td>
<td>ANDY 0701 A2 144A</td>
<td>96.34</td>
</tr>
<tr>
<td>S 5</td>
<td>ANDY 0701 B 144A</td>
<td>95.5</td>
</tr>
<tr>
<td>S 50</td>
<td>TWOLF 0701 A1A 144A</td>
<td>98.45</td>
</tr>
<tr>
<td>S 200</td>
<td>TWOLF 0701 A1B 144A</td>
<td>100</td>
</tr>
<tr>
<td>S 100</td>
<td>TWOLF 0701 A1C 144A</td>
<td>90.71</td>
</tr>
<tr>
<td>S 100</td>
<td>TWOLF 0701 A1D 144A</td>
<td>96.7</td>
</tr>
<tr>
<td>S 20</td>
<td>TWOLF 0701 D REGS</td>
<td>92.41</td>
</tr>
<tr>
<td>S 11</td>
<td>TWOLF 0701 INCOME NOTE REGS</td>
<td>100</td>
</tr>
<tr>
<td>S 11</td>
<td>ANDY 0701 D REGS</td>
<td>106.21</td>
</tr>
<tr>
<td>S 32</td>
<td>GSC 063G A1B 144A</td>
<td>90.07</td>
</tr>
<tr>
<td>S 40</td>
<td>DSGF VII A3 144A</td>
<td>90.01</td>
</tr>
<tr>
<td>S 15</td>
<td>FORTILIS II A2 144A</td>
<td>97.91</td>
</tr>
<tr>
<td>S 5</td>
<td>FORTILIS II B 144A</td>
<td>94.24</td>
</tr>
<tr>
<td>S 1</td>
<td>CAMBER 7 INC NOTES REGS</td>
<td>100</td>
</tr>
<tr>
<td>S 4</td>
<td>DSGF VII A3 144A</td>
<td>99.44</td>
</tr>
<tr>
<td>S 125</td>
<td>HUOMZ 082 A1 144A</td>
<td>96.51</td>
</tr>
<tr>
<td>S 1</td>
<td>DSGF VII E 144A</td>
<td>90</td>
</tr>
<tr>
<td>S 365</td>
<td>CAMBER 7 A1 144A</td>
<td>100</td>
</tr>
<tr>
<td>S 8</td>
<td>HUOMZ 061 C 144A</td>
<td>93.9</td>
</tr>
</tbody>
</table>

**Reduced by the Permanent Subcommitte on Investigations**

394
<p>| Hedges - ABX AAA | 1.550  | 100.13  | 1.552  |
| Hedges - ABX Aa and A | 662    | 92.75   | 614    |
| Hedges - ABX BBB/BBB- | 219    | 68.24   | 149    |
| Hedges - CMBX BBB- | 54     | 54.75   | 54     |
| Hedges - ABX BBB/BBB- Bidown | 80 | 63 |
| 06-2 BBB- | 80     | 82.25   | 90     |
| 06-1 BBB- | 49     | 73.5    |         |</p>
<table>
<thead>
<tr>
<th>Bond</th>
<th>Price (MM)</th>
<th>QF (MM)</th>
<th>Spread</th>
<th>Comp</th>
<th>WH Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCR 071 MB</td>
<td>3</td>
<td>0</td>
<td>86.49</td>
<td>66</td>
<td>2048848</td>
</tr>
<tr>
<td>JPMAC 0501 MB</td>
<td>7.278</td>
<td>7.278</td>
<td>86</td>
<td>4662964</td>
<td>4.7937</td>
</tr>
<tr>
<td>LMLT 017 MB</td>
<td>10.370</td>
<td>10.370</td>
<td>90</td>
<td>9432774</td>
<td>0.2295</td>
</tr>
<tr>
<td>LMLT 035 MB</td>
<td>3.33</td>
<td>3.33</td>
<td>85</td>
<td>5451141</td>
<td>1.0296</td>
</tr>
<tr>
<td>LMLT 053 MB</td>
<td>8</td>
<td>8</td>
<td>85</td>
<td>9432149</td>
<td>3.69</td>
</tr>
<tr>
<td>NLG 0502 NY MD</td>
<td>4</td>
<td>4</td>
<td>72</td>
<td>9623941</td>
<td>2.58</td>
</tr>
<tr>
<td>SBSR 0501 MD</td>
<td>2</td>
<td>2</td>
<td>82</td>
<td>1370768</td>
<td>2.94</td>
</tr>
<tr>
<td>SST 035 MB</td>
<td>4</td>
<td>4</td>
<td>82</td>
<td>9432149</td>
<td>2.45</td>
</tr>
<tr>
<td>SLTN 015 A1</td>
<td>27</td>
<td>27</td>
<td>76</td>
<td>9502253</td>
<td>25.40</td>
</tr>
</tbody>
</table>

Total: 56,988

77,17666
Footnote Exhibits - Page 4472

From: saa-spa-olympic<br>Sent: Thursday, July 05, 2007 12:08 PM<br>To: jkrause@moneygram.com; rjones@moneygram.com<br>Cc: saa-spa-olympic; Gilligan, Brendan [Sec Div]<br>Subject: MoneyGram Marks from 06 as of 06/20/07

<table>
<thead>
<tr>
<th>Description</th>
<th>Identifier</th>
<th>Cash Bid Price</th>
<th>Bid for Protection</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADRY 9048-1 A</td>
<td>01003545KB</td>
<td>20.33</td>
<td>20.50</td>
<td>06/20/07</td>
</tr>
<tr>
<td>ADRY 9048-1A B</td>
<td>01003545KB</td>
<td>20.33</td>
<td>20.50</td>
<td>06/20/07</td>
</tr>
<tr>
<td>C93096-1A</td>
<td>0279479935</td>
<td>20.34</td>
<td>20.50</td>
<td>06/20/07</td>
</tr>
<tr>
<td>C93096-1A D</td>
<td>0279479935</td>
<td>20.34</td>
<td>20.50</td>
<td>06/20/07</td>
</tr>
<tr>
<td>C93096-1A E</td>
<td>0279479935</td>
<td>20.34</td>
<td>20.50</td>
<td>06/20/07</td>
</tr>
<tr>
<td>C93096-1A F</td>
<td>0279479935</td>
<td>20.34</td>
<td>20.50</td>
<td>06/20/07</td>
</tr>
<tr>
<td>C93096-1A G</td>
<td>0279479935</td>
<td>20.34</td>
<td>20.50</td>
<td>06/20/07</td>
</tr>
<tr>
<td>C93096-1A H</td>
<td>0279479935</td>
<td>20.34</td>
<td>20.50</td>
<td>06/20/07</td>
</tr>
</tbody>
</table>

Disclaimer: The attached information regarding the valuation of instruments is being provided at your request for your consideration and internal use only and not for the purpose of soliciting or recommending any action by you. You should carefully review the explanations that are included with the attached information and ensure that you understand the information that is being provided. Any questions regarding the nature of this information should be raised promptly with your Goldman Sachs contact person. The valuation listed in the attached information represents (i) the bid price at which Goldman, Sachs or one of its affiliates ("Goldman Sachs") would have been prepared to buy the specified instrument; and, (ii) if applicable, the price at which Goldman Sachs would have been prepared to enter into a credit default swap product by which Goldman Sachs would buy protection on the specified instrument. In each case, the valuation is valid only as of the open of business in New York on the date of the information; such valuation is not applicable at any other time. Moreover, such valuation may be affected by orders entered or transactions executed by us or other market participants after the time of the valuation. In addition, the valuations listed in the attached information are expressed in terms of a position in the relevant instrument of a specified size, which is not necessarily the size of any actual position, and the valuation is applicable only with respect to the specified size. The valuation does not indicate a price at which Goldman Sachs would be willing to enter into a transaction with respect to any other size, nor does it reflect a valuation that relates to (or may be extrapolated to) a position or transaction of any other size. In the future, Goldman Sachs may change the transaction size for which valuations are provided without notice. Because the valuations included in the attached information relate to different types of instruments, these valuations should not be used as the basis for determining a mid-market valuation. The valuations listed in the attached information do not necessarily reflect your entire portfolio. In determining the valuation of an instrument, Goldman Sachs might not take into account certain factors, including, without limitation, liquidity adjustments appropriate given the position size. In addition, the considerations and approach utilized in preparing such valuations may differ from those utilized by Goldman Sachs in valuing positions for purposes of its own books and records. Without limitation of the foregoing, Goldman Sachs may utilize valuation models for its own books to generate mid-market valuations that differ from the mid-point between bids and offers used to value client positions.

Confidential Treatment Requested by Goldman Sachs GS76S-E-0320223387

Wall Street & The Financial Crisis Report Footnote #2486
## Retained & Warehouse - Risk

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S Rated</td>
<td>52</td>
<td>47</td>
<td>7</td>
</tr>
<tr>
<td>Super Senior</td>
<td>1,471</td>
<td>1,421</td>
<td>50</td>
</tr>
<tr>
<td>MBS AAA</td>
<td>436</td>
<td>291</td>
<td>145</td>
</tr>
<tr>
<td>AA</td>
<td>319</td>
<td>283</td>
<td>36</td>
</tr>
<tr>
<td>A</td>
<td>183</td>
<td>164</td>
<td>19</td>
</tr>
<tr>
<td>BBB</td>
<td>146</td>
<td>146</td>
<td>0</td>
</tr>
<tr>
<td>BB</td>
<td>26</td>
<td>29</td>
<td>-3</td>
</tr>
<tr>
<td>Equity</td>
<td>159</td>
<td>155</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total - Retained</strong></td>
<td><strong>2,043</strong></td>
<td><strong>2,325</strong></td>
<td><strong>-282</strong></td>
</tr>
</tbody>
</table>

### Warehouse Transition

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WH Assets - SP CDO cash + CDS</td>
<td>742</td>
<td>600</td>
<td>142</td>
</tr>
<tr>
<td>WH Assets - RMBS</td>
<td>390</td>
<td>67</td>
<td>323</td>
</tr>
<tr>
<td>WH Assets - CMBS</td>
<td>119</td>
<td>-</td>
<td>119</td>
</tr>
<tr>
<td>WH Assets - CLO</td>
<td>70</td>
<td>-</td>
<td>70</td>
</tr>
<tr>
<td><strong>Total - WH Transition</strong></td>
<td><strong>1,322</strong></td>
<td><strong>667</strong></td>
<td><strong>655</strong></td>
</tr>
</tbody>
</table>

### Hedging

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedging - SP CDO CDS</td>
<td>153</td>
<td>341</td>
<td>(188)</td>
</tr>
<tr>
<td>Hedging - A/BX AAA</td>
<td>1,550</td>
<td>1,350</td>
<td>-100</td>
</tr>
<tr>
<td>Hedging - A/BX AA and A</td>
<td>1,196</td>
<td>662</td>
<td>534</td>
</tr>
<tr>
<td>Hedging - A/BX B/C/H</td>
<td>649</td>
<td>319</td>
<td>330</td>
</tr>
<tr>
<td>Hedging - CMBS B/B</td>
<td>50</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total - Hedging</strong></td>
<td><strong>2,041</strong></td>
<td><strong>2,013</strong></td>
<td><strong>28</strong></td>
</tr>
</tbody>
</table>
### Retained & Warehouse - Risk

<table>
<thead>
<tr>
<th>Source</th>
<th>6/30/2007</th>
<th>Today</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retained CDOs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP Senior</td>
<td>53</td>
<td>29</td>
<td>24</td>
</tr>
<tr>
<td>Super Senior</td>
<td>1,405</td>
<td>1,395</td>
<td>16</td>
</tr>
<tr>
<td>Main AAA</td>
<td>264</td>
<td>237</td>
<td>27</td>
</tr>
<tr>
<td>A</td>
<td>198</td>
<td>186</td>
<td>12</td>
</tr>
<tr>
<td>B</td>
<td>110</td>
<td>97</td>
<td>13</td>
</tr>
<tr>
<td>BB</td>
<td>56</td>
<td>46</td>
<td>10</td>
</tr>
<tr>
<td>BB+</td>
<td>11</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Equity</td>
<td>92</td>
<td>71</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total - Retained</strong></td>
<td>2,452</td>
<td>2,182</td>
<td>270</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Warehouse Transition</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WH Assets - SP CDOs + CDS</td>
<td>518</td>
<td>427</td>
<td>111</td>
</tr>
<tr>
<td>WH Assets - MAIN</td>
<td>541</td>
<td>49</td>
<td>392</td>
</tr>
<tr>
<td>WH Assets - CDOs</td>
<td>104</td>
<td>-</td>
<td>104</td>
</tr>
<tr>
<td>WH Assets - CLO</td>
<td>34</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total - WH Transition</strong></td>
<td>1,041</td>
<td>486</td>
<td>555</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rates</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedge - SP CDO CDS</td>
<td>143</td>
<td>301</td>
<td>(158)</td>
</tr>
<tr>
<td>Hedge - AFX AAA</td>
<td>1,532</td>
<td>1,513</td>
<td>-</td>
</tr>
<tr>
<td>Hedge - AFX A and A</td>
<td>1,094</td>
<td>613</td>
<td>481</td>
</tr>
<tr>
<td>Hedge - AFX B/B/B/</td>
<td>330</td>
<td>262</td>
<td>68</td>
</tr>
<tr>
<td>Hedge - CDOY 050</td>
<td>52</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td><strong>Total - Hedges</strong></td>
<td>3,572</td>
<td>2,708</td>
<td>864</td>
</tr>
<tr>
<td>STIP</td>
<td>Name</td>
<td>Model</td>
<td>Serial</td>
</tr>
<tr>
<td>------</td>
<td>------</td>
<td>-------</td>
<td>--------</td>
</tr>
<tr>
<td>1063444</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>1123456</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>1153467</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>1512345</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>1523456</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>3451234</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>3514235</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>3541234</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>1234567</td>
<td>NAME</td>
<td>BLUES</td>
<td>M0k</td>
</tr>
<tr>
<td>WH Summary RIMES</td>
<td>Pos (x)</td>
<td>CIF (y)</td>
<td>Spread</td>
</tr>
<tr>
<td>------------------</td>
<td>---------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>ACPL 171 MB</td>
<td>3</td>
<td>3</td>
<td>65</td>
</tr>
<tr>
<td>JMAC 090MB5 MB</td>
<td>7.278</td>
<td>7.278</td>
<td>55</td>
</tr>
<tr>
<td>LBALT 007 MB</td>
<td>10.375</td>
<td>10.375</td>
<td>45</td>
</tr>
<tr>
<td>LBALT 009 MB</td>
<td>3.33</td>
<td>3.33</td>
<td>45</td>
</tr>
<tr>
<td>LBALT 009 MB</td>
<td>8</td>
<td>8</td>
<td>45</td>
</tr>
<tr>
<td>WM080MB8 MB</td>
<td>4</td>
<td>4</td>
<td>72</td>
</tr>
<tr>
<td>SABR 080MC2 MB</td>
<td>2</td>
<td>2</td>
<td>82</td>
</tr>
<tr>
<td>SAET 003 MB</td>
<td>4</td>
<td>4</td>
<td>82</td>
</tr>
<tr>
<td>BLTHN 09A,A1</td>
<td>27</td>
<td>27</td>
<td>58</td>
</tr>
</tbody>
</table>

73.7004

56.805
<table>
<thead>
<tr>
<th>Hedges - ABX AAA</th>
<th>1,550</th>
<th>100.22</th>
<th>1,553</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedges - ABX AA and A</td>
<td>682</td>
<td>95.25</td>
<td>631</td>
</tr>
<tr>
<td>Hedges - ABX BBB/BB-</td>
<td>369</td>
<td>73.05</td>
<td>262</td>
</tr>
<tr>
<td>Hedges - CMBox BBB</td>
<td>642</td>
<td>73.05</td>
<td>262</td>
</tr>
<tr>
<td>Hedges - ABX BBB/BB- Bk 06-2 BBB</td>
<td>90</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>06-2 BBB</td>
<td>94</td>
<td>60.5</td>
<td></td>
</tr>
<tr>
<td>06-1 BBB</td>
<td>86</td>
<td>85.5</td>
<td></td>
</tr>
<tr>
<td>06-1 BBB-</td>
<td>89</td>
<td>77.5</td>
<td></td>
</tr>
<tr>
<td>BS</td>
<td>Qty</td>
<td>Bond</td>
<td>Price</td>
</tr>
<tr>
<td>----</td>
<td>-----</td>
<td>------</td>
<td>-------</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>PTPLS 0701 A1 REGS</td>
<td>90.70</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>TWOLF 0701 A2 144A</td>
<td>84.33</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>TWOLF 0701 B 144A</td>
<td>77.31</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>COOLIDGE EQUITY</td>
<td>87.00</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>PTPLS 0701 A2 144A</td>
<td>84.00</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>ALTUS I C REGS</td>
<td>94.00</td>
</tr>
<tr>
<td>S</td>
<td>86</td>
<td>TWOLF 0701 A2 REGS</td>
<td>84.50</td>
</tr>
<tr>
<td>S</td>
<td>17.5</td>
<td>ALTUS II S 144A</td>
<td>100.07</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>ALTUS IV B REGS</td>
<td>100.00</td>
</tr>
<tr>
<td>S</td>
<td>1.4</td>
<td>BHML 081A A2</td>
<td>96.93</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TWOLF 0701 A2 REGS</td>
<td>83.60</td>
</tr>
<tr>
<td>S</td>
<td>11</td>
<td>TWOLF 0701 INCOME NOTE REGS</td>
<td>70.00</td>
</tr>
<tr>
<td>S</td>
<td>40</td>
<td>PTPLS 0701 A2 144A</td>
<td>91.00</td>
</tr>
<tr>
<td>S</td>
<td>40</td>
<td>TWOLF 0701 A2 144A</td>
<td>87.00</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>FORTUS II A2 144A</td>
<td>92.80</td>
</tr>
<tr>
<td>S</td>
<td>800</td>
<td>DSQF W1 A1A 144A</td>
<td>86.37</td>
</tr>
<tr>
<td>S</td>
<td>620</td>
<td>DSQF W1 A1A 144A</td>
<td>96.45</td>
</tr>
<tr>
<td>S</td>
<td>150</td>
<td>DSQF W1 A1A 144A</td>
<td>98.50</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>ALTUS IV A2B 144A</td>
<td>99.76</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>ALTUS IV B 144A</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>ALTUS IV C REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
<td>ALTUS IV B REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>ALTUS IV A2A REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>ALTUS IV A2B 144A</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>13</td>
<td>ALTUS IV A2B 144A</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>ALTUS IV C REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>ALTUS IV D REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>ALTUS IV A2 REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>ALTUS IV C REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>ALTUS IV C REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>WSTCC 061A B</td>
<td>95.85</td>
</tr>
<tr>
<td>S</td>
<td>1.5</td>
<td>CAPPERS T E REGS</td>
<td>54.65</td>
</tr>
<tr>
<td>S</td>
<td>1.5</td>
<td>CAPPERS 7 INC NOTES REGS</td>
<td>48.00</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
<td>GSC 063G C 144A</td>
<td>85.50</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>TWOLF 0701 A1A 144A</td>
<td>99.47</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>PTPLS 0701 A2 144A</td>
<td>91.3</td>
</tr>
<tr>
<td>S</td>
<td>8</td>
<td>DSQF W1 A3 144A</td>
<td>95.39</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TWOLF 0701 A2 144A</td>
<td>87.79</td>
</tr>
<tr>
<td>S</td>
<td>15</td>
<td>PTPLS 0701 D REGS</td>
<td>81.72</td>
</tr>
<tr>
<td>S</td>
<td>4</td>
<td>HUOMZ 061 INCOME NOTES REGS</td>
<td>81</td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>ANDY 0701 S 144A</td>
<td>103</td>
</tr>
<tr>
<td>S</td>
<td>7</td>
<td>GSC 063 M C 144A</td>
<td>84.79</td>
</tr>
<tr>
<td>S</td>
<td>128</td>
<td>PTPLS 0701 A1 144A</td>
<td>103</td>
</tr>
<tr>
<td>S</td>
<td>85</td>
<td>PTPLS 0701 A 144A</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>PTPLS 0701 B 144A</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>14</td>
<td>PTPLS 0701 C 144A</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>16</td>
<td>PTPLS 0701 D REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>PTPLS 0701 INCOME NOTES REGS</td>
<td>100</td>
</tr>
<tr>
<td>S</td>
<td>8</td>
<td>PTPLS 0701 C REGS</td>
<td>87.57</td>
</tr>
<tr>
<td>S</td>
<td>1</td>
<td>PTPLS 0701 D REGS</td>
<td>88.39</td>
</tr>
<tr>
<td>S</td>
<td>15</td>
<td>LOCH 061 B 144A</td>
<td>90</td>
</tr>
<tr>
<td>S</td>
<td>20</td>
<td>TWOLF 0701 C REGS</td>
<td>95.15</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
<td>ANDY 0701 A1B 144A</td>
<td>97.39</td>
</tr>
<tr>
<td>S</td>
<td>16</td>
<td>TWOLF 0701 C REGS</td>
<td>72.0</td>
</tr>
<tr>
<td>S</td>
<td>4</td>
<td>FORTUS II D REGS</td>
<td>63.11</td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>HUOMZ 061 D REGS</td>
<td>83.23</td>
</tr>
<tr>
<td>S</td>
<td>9</td>
<td>COOL C 144A</td>
<td>87.45</td>
</tr>
<tr>
<td>S</td>
<td>11</td>
<td>ANDY 0701 A2 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>3</td>
<td>BNL 051A A2</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>ANDY 0701 C 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>10</td>
<td>ANDY 0701 C 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>15</td>
<td>ANDY 0701 C 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>ANDY 0701 B 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>50</td>
<td>TWOLFL 0701 A 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>200</td>
<td>TWOLFL 0701 A1 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>100</td>
<td>TWOLFL 0701 A1C 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>100</td>
<td>TWOLFL 0701 A1D 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>30</td>
<td>TWOLFL 0701 C 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>11</td>
<td>TWOLFL 0701 D REGS</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>11</td>
<td>ANDY 0701 D REGS</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>32</td>
<td>GC 000G A18 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>40</td>
<td>DSQF VII A2 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>15</td>
<td>FORTIUS II A2 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>5</td>
<td>FORTIUS II B 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>1</td>
<td>CAMEBR 7 INC NOTES REGS</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>4</td>
<td>DSQF VII A3 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>125</td>
<td>HUSME 082-A1 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>1</td>
<td>DSQF VII E 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>365</td>
<td>CAMEBR 7 A1 144A</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>9</td>
<td>HUSME 011 C 144A</td>
<td></td>
</tr>
</tbody>
</table>

97.24  3/26/2007 PRINCETON A
96.93  3/22/2007
96.23  3/21/2007 PIMCO - USA
92.38  3/21/2007 GREYWOLF CA
96.93  3/21/2007
96.54  3/20/2007 MONEYGRAM I
98.5  3/20/2007 MONEYGRAM I
99.45  3/13/2007 MBA CAPITAL
100  3/13/2007 BEAR STEARNS
95.71  3/13/2007 BEAR STEARNS
99.7  3/13/2007 BEAR STEARNS
92.41  3/13/2007 GREYWOLF CA
100  3/13/2007 GREYWOLF CA
106.21  3/12/2007 GSCP (HJ) I
99.07  3/06/2007
99.01  3/03/2007
97.91  3/02/2007
94.24  2/27/2007
100  2/26/2007
99.44  2/25/2007
98.51  2/21/2007
90  2/20/2007
100  2/15/2007
93.9  2/14/2007 DILLON READ

Note: Redacted by the Permanent Subcommittee on Investigations.
Footnote Exhibits - Page 4482

To:        Finoc, Greg; Ganovas, Kevin; Swenson, Michael; Lehman, David A.; Blinbaum, Josh
Cc:        Sparks, Daniel L.; Simpson, Michael; Fortunato, Salvatore; ge-niga@gsi
Subject:   Tonight's Estimate to Reflect Changes in Bid Offer Spreads
Importance: High
Attachments: Book10.xls

Traders:

We have decided to adjust bid offer spreads based upon where we are currently trading. This will impact the trading desks as follows. Please incorporate into your estimates tonight. We've attached the new bid offer spreads.

Thanks,

S

Correlation  +2.6M
CDO        -3.5M
ABS        -1.6M
High Prime  -4.0M
High Credit -4.1M
Managers   +2.1M

Book10.xls

---

Goldman, Sachs & Co.
150 West Street, New York, NY 10286
Tel: (212) 902-8650 (e-mail: sheera.friedman@gs.com)

Sheera Friedman          Goldman
Vice-President           Sachs
Equities Division

Confidential Treatment Requested by Goldman

GS MBS-E-010795801

---

Permanent Substitutions on Dominations
Wall Street & The Financial Crisis
Report Footnote #2496
<table>
<thead>
<tr>
<th>Combo</th>
<th>Sector</th>
<th>Rating</th>
<th>spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABS Auto Prime A</td>
<td>ABS Auto Prime</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Auto Subprime A</td>
<td>ABS Auto Subprime</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Auto Subprime BBB</td>
<td>ABS Auto Subprime BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Credit Card Prime AAA</td>
<td>ABS Credit Card Prime AAA</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Credit Card Prime BBB</td>
<td>ABS Credit Card Prime BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Credit Card Prime BBB</td>
<td>ABS Credit Card Prime BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Credit Card Subprime A</td>
<td>ABS Credit Card Subprime A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Credit Card Subprime BBB</td>
<td>ABS Credit Card Subprime BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Credit Card Subprime BBB</td>
<td>ABS Credit Card Subprime BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Student Loans Prime A</td>
<td>ABS Student Loans Prime A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>ABS Student Loans Prime BBB</td>
<td>ABS Student Loans Prime BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Commercial Real Estate AAA</td>
<td>CDO Commercial Real Estate AAA</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Commercial Real Estate AA</td>
<td>CDO Commercial Real Estate AA</td>
<td>AA</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Commercial Real Estate A</td>
<td>CDO Commercial Real Estate A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Commercial Real Estate BBB</td>
<td>CDO Commercial Real Estate BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Commercial Real Estate BBB</td>
<td>CDO Commercial Real Estate BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Commercial Real Estate BBB+</td>
<td>CDO Commercial Real Estate BBB+</td>
<td>BBB+</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO High Grade AAA</td>
<td>CDO High Grade AAA</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO High Grade AA+</td>
<td>CDO High Grade AA+</td>
<td>AA+</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO High Grade AA</td>
<td>CDO High Grade AA</td>
<td>AA</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO High Grade A</td>
<td>CDO High Grade A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Multi-tranche S</td>
<td>CDO Multi-tranche S</td>
<td>S</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Multi-tranche AAA</td>
<td>CDO Multi-tranche AAA</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Multi-tranche AA</td>
<td>CDO Multi-tranche AA</td>
<td>AA</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Multi-tranche A</td>
<td>CDO Multi-tranche A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Multi-tranche BBB</td>
<td>CDO Multi-tranche BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>CDO Multi-tranche BBB+</td>
<td>CDO Multi-tranche BBB+</td>
<td>BBB+</td>
<td>7.50</td>
</tr>
<tr>
<td>CLO AAA</td>
<td>CLO AAA</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CLO A</td>
<td>CLO A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>CLO BBB</td>
<td>CLO BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS AAA</td>
<td>CMBS AAA</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS AAA+</td>
<td>CMBS AAA+</td>
<td>AAA+</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS A</td>
<td>CMBS A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS AA</td>
<td>CMBS AA</td>
<td>AA</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS A</td>
<td>CMBS A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS BBB</td>
<td>CMBS BBB</td>
<td>BBB</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS BBB+</td>
<td>CMBS BBB+</td>
<td>BBB+</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS DD</td>
<td>CMBS DD</td>
<td>DD</td>
<td>7.50</td>
</tr>
<tr>
<td>CMBS BB</td>
<td>CMBS BB</td>
<td>BB</td>
<td>7.50</td>
</tr>
<tr>
<td>CTR AMAC ASSURANCE CORPORATION</td>
<td>CTR AMAC ASSURANCE CORPORATION</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CTR FINANCIAL GUARANTEE INSURANCE COMPANY LLC</td>
<td>CTR FINANCIAL GUARANTEE INSURANCE COMPANY LLC</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CTR FINANCIAL SECURITY ASSURANCE INC.</td>
<td>CTR FINANCIAL SECURITY ASSURANCE INC.</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CTR INN INSURANCE CORPORATION</td>
<td>CTR INN INSURANCE CORPORATION</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>CTR RL CAPITAL ASSURANCE INC.</td>
<td>CTR RL CAPITAL ASSURANCE INC.</td>
<td>AAA</td>
<td>7.50</td>
</tr>
<tr>
<td>RMBS Prime A</td>
<td>RMBS Prime A</td>
<td>A</td>
<td>7.50</td>
</tr>
<tr>
<td>RMBS Prime AAA</td>
<td>RMBS Prime AAA</td>
<td>AAA</td>
<td>7.50</td>
</tr>
</tbody>
</table>
Footnote Exhibits - Page 4485

From: Lehman, David A.
Sent: Wednesday, June 20, 2007 9:04 PM
To: Swenson, Michael; Mullen, Donald
Cc: Sparks, Daniel L.
Subject: Re: Moneygram marks

Not all - This is our shot to get this done - we want to stay on the offer and be aggressive

Thk abt this - if we establish a defined + healthy supply/demand dynamic in this product we can always CREATE more CDS at a significant profit vs current levels

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1691 | Mob: 917-
E-mail: david.lehman@gs.com

----- Original Message ----- 
From: Swenson, Michael
To: Mullen, Donald; Lehman, David A.
Cc: Sparks, Daniel L.
Subject: Re: Moneygram marks

We pause everyone else is afraid to execute at these levels and they will be wishing for these prices by the end of the summer

----- Original Message ----- 
From: Mullen, Donald
To: Lehman, David A.
Cc: Swenson, Michael; Sparks, Daniel L.
Subject: Re: Moneygram marks

Does that give any one pause about our selling prices?

----- Original Message ----- 
From: Lehman, David A.
To: Mullen, Donald
Cc: Swenson, Michael; Sparks, Daniel L.
Subject: Re: Moneygram marks

This is consistent with what we hear - maybe not the only offer, but certainly the most aggressive

Confidential Treatment Requested by Goldman Sachs

Wall Street & The Financial Crisis
Report Footnote #2409

GS MBS-E-001930566
Footnote Exhibits - Page 4486

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1881 | Mob: 917
e-mail: david.lehman@goldman.com

----- Original Message -----
From: Mullen, Donald
To: Lehman, David A.
Sent: Wed Jun 06 18:26:02 2007
Subject: Re: Moneygram Marks

Sounds like we are the only offer

----- Original Message -----  
From: Lehman, David A.
To: Mullen, Donald; Bernstein, Lester A.
Subject: FW: Moneygram marks

FYI

From: Wisenbaker, Scott
Sent: Wednesday, June 06, 2007 4:12 PM
To: Wisenbaker, Scott; Bieber, Matthew G.; Lehman, David A.
Subject: FW: Moneygram marks

I have heard from others on the street that Citi and ML in particular are holding on to stuff... and that the market feels that GS is being more aggressive than other dealers moving 2007/2 paper.

From: Case, Benjamin
Sent: Wednesday, June 06, 2007 4:22 PM
To: Wisenbaker, Scott; Bieber, Matthew G.; Lehman, David A.
Subject: FW: Moneygram marks

Brandon Gilligan called and said Moneygram may be interested in buying more Timberwolf A2 and Point Pleasant A2 in the context of their marks. He said Moneygram knows the market has moved wider from what they bought these bonds, so they were expecting their marks to be down (these are down 4-5 points from where they purchased). Also, interestingly he said Moneygram have been trying to get off levels from other dealers on CDO2 debt the other dealers own in inventory, but he said most won't give them offering levels and seem to want to hold the paper instead.

From: Case, Benjamin
Sent: Wednesday, June 06, 2007 4:17 PM
To: Gilligan, Brandon
Subject: Moneygram marks

CONFIDENTIAL/VERBAL ONLY - please relay verbally [can be send by email externally only from the valuations group]

Timberwolf A2 - 83.5 - 800 dm
Point Pleasant A2 - 86.0 - 420 dm

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4487

From: Sparks, Daniel L
Sent: Wednesday, June 08, 2007 8:56 PM
To: Swenson, Michael; Mullen, Donald; Lehman, David A.
Subject: Re: Moneygram marks

There is real market meltdown potential (although far from certain). The market isn’t yet pricing it in - but the scenario is liquidity gets worse, downgrades/losses occur, and forced liquidations begin to happen - spiraling down that has steep drops.

Flip side is liquidity and demand for risk and cheap assets overwhelm concerns. These are pretty much the only distressed assets out there in size.

But the upside/downside makes it seem way to early - especially for us mark-to-market types.

----- Original Message ----- 
From: Swenson, Michael
To: Mullen, Donald; Lehman, David A.
Cc: Sparks, Daniel L
Subject: Re: Moneygram marks

We pause everyone else is afraid to execute at these levels and they will be wishing for these prices by the end of the summer.

----- Original Message ----- 
From: Mullen, Donald
To: Lehman, David A.
Cc: Swenson, Michael; Sparks, Daniel L
Subject: Re: Moneygram marks

Does that give any one pause about our selling prices?

----- Original Message ----- 
From: Lehman, David A.
To: Mullen, Donald
Cc: Swenson, Michael; Sparks, Daniel L
Subject: Re: Moneygram marks

This is consistent with what we hear - maybe not the only offer, but certainly the most aggressive

David A. Lehman
Goldman, Sachs & Co.
65 Broadway | New York, NY 10004
Tel: 212-902-1927 | Fax: 212-902-1691 | Mob: 917_____
e-mail: david.lehman@goldman.com
Confidential Treatment Requested by Gold

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2419

GS MISS-E-001922156
Footnote Exhibits - Page 4488

----- Original Message ------
From: Mullern, Donald
To: Lehman, David A.
Subject: Re: Moneygram marks

Sounds like we are the only offer

----- Original Message ------
From: Lehman, David A.
To: Mullern, Donald; Krafman, Lester R
Subject: FW: Moneygram marks
fyl

From: Wisnubaker, Scott
To: Case, Benjamin; Bieker, Matthew G.; Lehman, David A.
Sent: Wednesday, June 06, 2007 6:21 PM
Subject: FW: Moneygram marks

have heard from others on the street that citi and ml in particular are holding on
to stuff...and that the market feels that GS is being more aggressive than other dealers
moving CD02 paper

From: Case, Benjamin
To: Wisnubaker, Scott; Bieker, Matthew G.; Lehman, David A.
Sent: Wednesday, June 06, 2007 6:22 PM
Subject: FW: Moneygram marks

Brendan Gilligan called and said Moneygram may be interested in buying more
Timberwolf A2 and Point Pleasant A2 in the context of their marks. He said Moneygram
from Mullern. Donald has moved wider from when they bought these bonds, so they were expecting
their marks to be down (these are down 4-5 points from where they purchased). Also,
interestingly he said Moneygram have been trying to get offer levels from other dealers on
CD02 debt the other dealers own in inventory, but he said most won't give them offering
levels and seems to want to hold the paper instead.

From: Case, Benjamin
To: Gilligan, Brendan
Sent: Wednesday, June 06, 2007 4:47 PM
Subject: Moneygram marks

INTERNAL/VERBAL ONLY - please relay verbally (can be send by email
externally only from the valuations group)

Timberwolf A2 - 83.5 - 450 dn
Point Pleasant A2 - 86.0 - 410 dn

2

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001922157
Unknown

From: Maltese, George [george.maltese@pa.gov]
Sent: 22 May 2007 08:50
To: John Murphy
Subject: FW: leveraged AAAs and AAs
Attachments: cfddata.moc.20070513_TIMBERWOLF_I.mgd by Graywolf Capital.zip; 20070424_ROI
          calc_AA_and_AAs.zip; 070501_TS_BasisCap.doc

I appreciate you are flat chat at the moment, but pls keep in mind GS is an aggressive seller of risk for QTR
end purposes (last day of quarter is this Friday).

We would certainly appreciate your support, and equally help create something where the return on Invested
capital for Basis is over 60% (assumen AAAs at 400bps; AAs at 500bps; 7.5% haircut and L=30bps funding).

George

---

From: Maltese, George
Sent: Tuesday, 22 May 2007 3:11 PM
To: John Murphy
Cc: Stuart Fowler
Subject: FW: leveraged AAAs and AAs

Murphy, I hope you are getting your legs back. When are you free to re-visit this trade with the Graywolf
devil?

As indicated, I have been able to obtain approval for a fifth evergreen financing facility for this trade, which
are separate to the US$10bn facility we set up last year (and hence leaves some powder dry for other things).

The, 

gm

From: Maltese, George
Sent: Tuesday, 24 April 2007 4:02 PM
To: John Murphy
Cc: Stuart Fowler
Subject: leveraged AAAs and AAs

Murphy,

Further to our email traffic yesterday, I wanted to discover what might be possible in the levered AAA space.

To that end, I spoke with Dan Sparta and Peter Othien about potentially offering Basis a block of cheap
highly rated ABS CDOs on a levered basis.

04/05/2008
They were constructive with the enquiry & supportive to help structure something that should offer basis an attractive risk-adjusted return on capital proposition. We are still mulling through the terms, but I wanted to highlight some broad thoughts on a trade idea.

Are you free to discuss this?

CDO Transaction Details:
Deal: Timberwolf 1, Ltd
CDO Manager: Greywolf Capital Management LP
Description: US$1bn Single-A Structured Product CDO
(see attached zipped file containing final OC, term sheet, presentation, portfolio, cashflows, etc)

Indicative Financing Terms:
Haircut: 5-10%
Funding Rate: Libor plus 50-60bps
Return on Capital is in the 40-65% area
(see attached indicative calculations I prepared)

Investment Details:
Notional: US$100,000,000 (hence capital invested by Basis is $5 to $10mm)
Split across two tranches:
Class A2 (Aaa/AAA) +600bps (traded half the tranche originally at 100bps)
Class B (Aa/AA-) +300bps (traded half the tranche originally at 200bps)
(due was originally priced 13 March)

Timberwolf, a $1bn Single-A SP CDO Squared
- Portfolio selected and to be defensively managed by Greywolf (Greg Mount).
- Goldman and Greywolf each took half the equity.
- Higher in credit trade (portfolio is 100% rated at least single-A) with a focus on Mezz and High Grade SP CDO debt.
- No reinvestment risk. Greywolf has ability to sell assets that they feel are underperforming vs. expectations but all principal proceeds paydown debt.
- The two main portfolio managers have outstanding experience in the structured products markets: Greg Mount: Previously a Partner at Goldman Sachs who founded Goldman Sachs CDO business in 1998 and initiated their proprietary CDO Investing activity; & Joe Marcov: Previously a Managing Director and co-head of ABS Finance at Goldman Sachs.

Other transaction highlights
- Structural features
  - Legal maturity of [14] years
  - Non-call period of [2] years
  - Auction call at [9] years
- Greywolf has the discretion to sell "credit risk" and "defaulted" assets and the proceeds will be treated as principal paydowns.
- The portfolio is expected to be [100]% ramped at closing
- Fees:
  - Collateral Management Fee [6] bps pa
  - Deferred Structuring Fee [4] bps pa

Greywolf Capital Management

04/02/2008

JUL 000586
Footnote Exhibits - Page 4491

- Founded in 2003, now with 80 employees, including 27 investment professionals
- Greywolf principals previously held senior positions in credit trading at various sell-side institutions
- Greywolf has approximately $2.5bn AUM, including approximately $1bn in structured product exposure

Timberwolf I Break-Even

Assumptions:
Defaults are assumed to commence in September 2006; Recoveries occur immediately upon default.
Loss of interest and principal (discounted).

<table>
<thead>
<tr>
<th>A / 1</th>
</tr>
</thead>
</table>

George Malassias, CPA
Executive Director
Head of Structured Asset Solutions
Telephone 613 9330 1461
Fax 613 9330 1232
Mobile 0411 822 631
george.malassias@gsbw.com

Fixed Income, Currency and Commodities
Goldman Sachs JBWere Pty Ltd
Level 4B
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Risk factors: An investment in the securities presents certain risks, please see the Preliminary Offering Circular for a description of certain risk factors.

Disclaimer: This material has been prepared specifically for you and contains indicative terms only. All material contained herein, including prepared terms and conditions are for discussion purposes only. Finalised terms and conditions are subject to further discussion and negotiation. Goldman Sachs shall have no liability, contingent or otherwise, to the user or to third parties, for the quality, accuracy, timeliness, continued availability or completeness of the data and information. Goldman Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors and or counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of any kind.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State. These securities are being offered by the Issuer and represent a new financing. A final prospectus relating to these securities may be obtained from the offices of Goldman, Sachs & Co., 85 Broad Street, New York, NY 10004.

Please note that Goldman Sachs JBWere makes important disclosures of its interests at http://www.gs0bw.com/Discoveries

GOLDMAN SACHS JBWERE PTY LTD DISCLAIMER
Goldman Sachs JBWere Pty Ltd and its related entities distributing this document and each of their respective directors, officers and agents ("Goldman Sachs JBWere Group") believe that the information

04/05/2008

JUL 000687
422

Footnote Exhibits - Page 4493

From: Malafren, George
Date Sent: Wednesday, 30 May 2007 09:39:25
Date Read: Wednesday, 30 May 2007 09:39:26
To: John Murphy
CC: Stuart Fowler
BCC: Subject: RE:

We have been working on a STY-like structure for structured product CDO product, but this still requires a great deal of work. From here...not to mention upfront exposure to establish such vehicles. The key guy working on this from our end is Rajiv Kamilla, who is actually going to be in Sydney next week. Rajiv is senior and experienced structuring and trading guy devoted to new product development. Perhaps we should set up a meeting when he is here next week to discuss such broader asset solutions. All that aside, however, this is still in design mode and the appetites are still not economical. The recovery market dynamics counterparty for this sort of thing are also in early stage. I'm just trying to be realistic on this side...

We also looked at a new swap and noted issues from a credit and continuum / tail risk perspective, hence not a no-brainer.

On your question below about taking the AAA paper in isolation, the issue we face (from a trading and risk management perspective) is on being able to properly model, mark, & value such a product. I think the current market environment is suggesting clarity on this is not there. I can tell you that I am doing any non-recourse financing at the moment on structured product CDOs.

From a pricing perspective, we have been trying to find better levered/AA and AAA levels. 330bp on AA-A and north of 750bp on A-A is considered fair value for 'Tier-1'; yet we are finding levels that are significantly higher. We appreciate you are seeing other stuff, and been to know which these levels are, but in this case I don't think the pricing is at the sentiment with regard to risk spreads levels. To be constructive, however, I know the desk is entertaining both side trades at the moment from real money accounts in the US and Asia at wide levels (much wider than what they have traded before). To give you a sense, I think there are represent 450-500bp and 650-750bp respectively (for size) at the wider level of such trades.

Overall, the fourth avenue financing proposal will move to the issue is the most efficient way I can see Goldman play here (at this point in time). As you can see from above, most functionality on price can be afforded, which should help create a very positively across a balanced position for you.

Again I appreciate your sense...I just don't want to lead you up the garden path.

Your thoughts?

George
9300 1431

George Malafren, CFA
Executive Director
Head of Structured Asset Solutions

Telephone 613 9300 1431
FaxLine 613 9300 1222
Email george.malafren@gs.com <mailto:george.malafren@gs.com>
www.gs.com <http://www.gs.com>

--- Redirected by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2413

JUL 002032

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 00426 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
From our side we want to look at this like a concessional SV type arrangement.

If you sold the AAA paper in isolation, what is the volatility of the mark to market (from current levels) that needs to be covered? And what expiry dates would be needed? Would a swap swap help being forward the GMT and recovers into contract cash flow?

John Murphy
Sent from my Blackberry

Disclaimer:
This message is subject to the Disclaimer on <http://www.henderson.com.au/email_DISCLAIMER.htm>

-------- Original Message -------

From: Malcolm, George <George.Malcolm@gpw.com>

To: John Murphy

Cc: Stuart Fowler

Sent: Tue May 29 11:55:42 2007

Subject: RE:

I have taken a look at this and am not convinced, but an earlier discussion internally “no reason” was far worse than what was shown with reserves.

Two key drivers:

1. the mark down by the business unit and credit department to get answerable with Banks Capital.

2. the excess cash burn in actually realised.

The AAA has a 4.5% coupon, so if funding is 1.535%, you end up with 2.965% of excess interest.

Assuming you average all of this to build excess credit support, this would potentially build an extra 3% in 2 years. That's clearly not a lot of buffer.

I'm just trying to highlight the issue, rather than over-promise. Any and all feedback is welcome.

George

Malcolm, George, CFA

Executive Director

Head of Structured Asset Solutions

Tel: 612 9350 1411

Fax: 612 9350 1322

Mobile: George.Malcolm@gpw.com <m=mda2e037fe19f@x460.com>


-------- Redacted by the Permanent Subcommittee on Investigations --------

From: John Murphy <jmurphy@henderson.com.au>

Sent: Tuesday, 29 May 2007 5:29 PM

To: Malcolm, George

Cc: Stuart Fowler

Subject: RE:

we are very keen to explore a vehicle where we fund those bonds as a non-consumes basis off the top of my head I look at 3% in 4% equity uplift and then stop the excess interest each period so build extra credit support over time.

can you get the team put your thinking hat on and see what is do-able?

John Murphy

Director - Fund Management

Direct: 02-224 1354

Mobile: 0413 660 234

www.henderson.com.au

Disclaimer:

The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from copying, disclosing, copying or distributing the information or any attachment to this email in any way. Intranet communications are not secure and therefore Henderson Capital does not accept legal responsibility for the contents of this message. Although Henderson Capital operates anti-virus programmes, it does not accept responsibility for any damage whatsoever that is caused by viruses being passed.

JUL 002033
Footnote Exhibits - Page 4495

From: Malcolm, George [mailto:george.malcolm@gbw.com.au]
Sent: Tuesday, 29 May 2007 4:28 PM
To: John Murphy
Subject: RE: 

Wow...

This is obviously good news, but clearly illustrate the extreme nature of the market.
Can you mention which debt? I am happy to go back to NY and force a response.
Do you think 300 and 700 are the right levels for this trade?

From: John Murphy [mailto:johnc.murphy@bainsq.com.au]
Sent: Tuesday, 29 May 2007 5:22 PM
To: Malcolm, George
Subject: RE: 

does mean a bank is seeing similar paper at much wider levels...we are seeing, in equivalent managers 500IM on AAA and north of 700 on AA. Thoughts please?

John Murphy
Director - Fixed Income
Direct: 02 - 834 5514
Mobile: 0413 393 393
www.bainsq.com.au

Disclaimer:
The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from using, disclosing, copying or distributing the information in or attachments to this email in any way. Internet communications are not secure and therefore Bain Capital does not accept legal responsibility for the contents of this message. Although Bain Capital operates anti-virus programs, it does not accept responsibility for any damage whatsoever that is caused by viruses being passed.

From: Malcolm, George [mailto:george.malcolm@gbw.com.au]
Sent: Tuesday, 29 May 2007 5:23 PM
To: John Murphy
Subject: RE: 

As an update and (end of last week), they were: AAA's at 450bps, and AA's at 500bps. We last traded a block at 300 and 450 respectively.

What do you think? I can double check tonight.

From: John Murphy [mailto:johnc.murphy@bainsq.com.au]
Sent: Tuesday, 29 May 2007 6:19 PM
To: Malcolm, George
Subject: RE: what are the refunded offer levels on the AAA and AA note??

John Murphy
Director - Fixed Income
Direct: 02 - 834 5514
Mobile: 0413 393 393
www.bainsq.com.au

Disclaimer:
The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from using, disclosing, copying or distributing the information in or attachments to this email in any way. Internet communications are not secure and therefore Bain Capital does not accept legal responsibility for the contents of this message. Although Bain Capital operates anti-virus programs, it does not accept responsibility for any damage whatsoever that is caused by viruses being passed.

From: Malcolm, George [mailto:george.malcolm@gbw.com.au]
Sent: Tuesday, 29 May 2007 7:12 PM
To: John Murphy
Subject: RE: 

Oil rates - thanks
George Malcolm, CPA

JUL 002034
Footnote Exhibits - Page 4496

Executive Director
Head of Structured Asset Solutions

Telephone  613 9320 1431
Facsimile  613 9320 1322
Mobile  04 023 180 118
george.malmba@gajlw.com
www.gajlw.com

From: John Murphy [mailto:john.murphy@basham.com.au]
Sent: Sunday, 30 May 2007 3:04 PM
To: Malmba, George
Subject: Re:

I got your note looking at the repo terms to see if that covers them any grief
other than the nothing to discuss as yet.

John Murphy

Director - Funds Management
Dewat 99  6234 5314
www.basham.com.au

Disclosure:
The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from
reading, disclosing, copying or distributing the information in any attachment to this email in any way. Internet communications are not secure and
therefore Basham Capital does not accept legal responsibility for the contents of this message. Although Basham Capital operates in voice
progressions, it does not accept responsibility for any damage whatsoever that is caused by viruses being passed.

From: Malmba, George [mailto:george.malmba@gajlw.com]
Sent: Sunday, 30 May 2007 3:18 PM
To: John Murphy
Subject: Re:

John - shall we set a time aside to discuss the second further/AAA and AA trade idea?

George Malmba, CPA
Executive Director
Head of Structured Asset Solutions

Goldman Sachs (Australia) Pty Ltd

Telephone  613 9320 1431
Facsimile  613 9320 1322
Mobile  04 023 180 118
goldman.malmba@gajlw.com
www.gajlw.com

Level 48
Overseas Philip Tower
1 Farrar Place
Sydney NSW 2000

Australia

Risk Factor: An investment in the securities presents certain risks, please see the Preliminary Offering Circular for a description of certain risk
factors.

Disclosure: This material has been prepared specifically for you and contains indicative terms only. All material contained herein, including
proposed terms and conditions are for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation.
Goldman Sachs shall have no liability, contingent or otherwise, to the user or to third persons, for the quality, accuracy, timeliness, completeness of the data and information. Goldman Sachs does not provide accounting, tax or legal advice, each investor should discuss
with their adviser and or counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this
material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of

JUL 092035
From: Molloy, Mark
Sent: Wednesday, May 02, 2007 8:27 AM
To: Malters, George (GSIBW)
Cc: Hamlett, Julie; Cao, Joanna J
Subject: RE: Updated Calls and reports

In that case it seems we were fed the wrong price. We will follow up.

From: Malters, George (GSIBW)
Sent: Wednesday, May 02, 2007 8:35 AM
To: Molloy, Mark
Cc: Hamlett, Julie; Cao, Joanna J
Subject: RE: Updated Calls and reports

Not sure I agree. The desk had confirmed marking this at the 81.72 level. Not sure when it was lower.

George Malters, CFA
Executive Director
Head of Structured Asset Solutions
Telephone 612 9202 1431
Facsimile 612 9202 1225
Mobile 612 9202 1225
george.malters@gsibw.com
www.gsibw.com

From: Molloy, Mark
d [mailto:malters.molloy@gs.com]
Sent: Wednesday, 2 May 2007 5:30 PM
To: Malters, George
Cc: Hamlett, Julie - GS; Cao, Joanna J - GS
Subject: RE: Updated Calls and reports

Thanks George,

That's fine we can update the reports today with the new prices.

They should really meet the original call as the price dropped creating the call and has now gone back up to the 81.72 level decreasing the call. We will apply the new prices today and see where we are which should reduce the call.

Regards,

Mark

Confidential Treatment Requested by Goldman, Sachs & Co
Footnote Exhibits - Page 4498

From: Maltzanos, George (G33RM)
Sent: Wednesday, May 02, 2007 8:25 AM
To: Molloy, Macdara
Cc: Hammett, Julie; Cao, Joanna J
Subject: Re: Updated Calls and reports

I did, but I think they want to see it confirmed in the reports...
Call me if its helpful.

George Maltzanos, CPA
Executive Director
Head of Structured Asset Solutions

Telephone 612 332-1431
Fax: 612 332-1522
Mobile 612 332-1522
george.maltzanos@gs.com
www.gs.com

From: Molloy, Macdara [mailto:macdara.molloy@gs.com]
Sent: Wednesday, 2 May 2007 5:23 PM
To: Maltzanos, George
Cc: Hammett, Julie; Cao, Joanna J - GS
Subject: Re: Updated Calls and reports

Thanks George,

Were you able to pass this information on to Basis?

Regards,

Macdara

This message may contain information that is confidential or privileged. If you are not the intended recipient, please delete the message and destroy it resolutely. See http://www.gs.com/eti/disclaimer/index.html for further information on confidentiality and the risk inherent in electronic communication.

From: Maltzanos, George (G33RM)
Sent: Wednesday, May 02, 2007 8:21 AM
To: Molloy, Macdara
Cc: Hammett, Julie; Cao, Joanna J
Subject: Re: Updated Calls and reports

This is what I have from NY....Ben Case.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002003103
George Maltazzo, CFA
Executive Director
Head of Structured Asset Solutions

Telephone  912 920 1412
Facsimile  912 920 1025
Mobile  02 9239 3482
email  George.Maltazzo@gs.com
www.galax.com

From: Molloy, Madalena [mailto:madalena.molloy@gs.com]
Sent: Wednesday, 2 May 2007 4:54 PM
To: Maltazzo, George
Cc: Hammatt, Julie - GS; Cao, Joanne J - GS
Subject: FW: Updated Calls and reports

George,

Not sure if you have been involved with this price query but have you spoken to anyone in NY on this?
If not we will follow up.

Regards,

Madalena

This message may contain information that is confidential or privileged. If you are not the intended recipient, please advise the sender immediately and delete this message. See http://www.gs.merrill.com/emailprivacy for further information on confidentiality and the risks inherent in electronic communication.

From: John Murphy [mailto:john.murphy@barclays.com.au]
Sent: Wednesday, May 02, 2007 7:52 AM
To: Molloy, Madalena; Philippa Chen
Cc: Sahil Sachdev, Hammatt, Julie; Maltazzo, George (GSMW); Perth Trade; Peter Dobson; Cao, Joanne J
Subject: FW: Updated Calls and reports

Madalena

For your guidance we did flag this discrepancy with your Sydney office yesterday (Tue) morning.

Regards

John

John Murphy
Director - Funds Management
Direct. 02 - 8234 5514

Confidential Treatment Requested by Goldman Sachs
Disclaimer:
The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from using, disclosing, copying or distributing the information in or attachments to this email in any way. Internet communications are not secure and therefore Basis Capital does not accept legal responsibility for the contents of this message. Although Basis Capital operates anti-virus programmes, it does not accept responsibility for any damage whatsoever that is caused by viruses being passed.

From: Molloy, Macdara (mailto:macdara.molloy@gs.com)
Sent: Wednesday, 3 May 2007 4:48 PM
To: Phillipe Chen
cc: Sahil Sachdev; Hammatt, Julia; Maltzazos, George (GSJBE); Fei An; Trades; John Murphy; Peter Dobson; Cao, Joanna
Subject: RE: Updated Calls and reports

Phillipa,

Thank you for receiving the $280,000 on Pac Rim for value 3rd of May.

We will investigate the price move on the Point Pleasant however as the traders/evaluations are in New York we will have to speak to them later today.

Regards,
Macdara

Margaret Valentine & Philing
Goldman Sachs International
Canary Wharf Court 1 10-13 Poultry HF  |  London EC1A 9HA

Tel: +44 (0) 207 746 6660
Fax: +44 (0) 207 852 7299
E: macdara.molloy@gs.com

This message may contain information that is confidential or privileged. If you are not the intended recipient please delete the message immediately and destroy this message. See http://www.gs.com/about/secured for further information on confidentiality and the risks involved in electronic communication.

From: Phillipe Chen (mailto:uchen@basiscap.com.au)
Sent: Wednesday, May 02, 2007 12:50 AM
To: Molloy, Macdara
cc: Sahil Sachdev; Hammatt, Julia; Maltzazos, George (GSJBE); Fei An; Trades; John Murphy; Peter Dobson
Subject: RE: Updated Calls and reports

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-02/2003105
Hi Macdara, Julie and George,

Thanks a lot for your emails and clarifications.

We agree with Pac-Rim's Margin call USD 200,000 and will instruct our custodian to pay in the morning.

As to Yield Alpha I still have further concerns (sorry):

It seems that nearly 300,000 out of the $720,000 can be attributed to the mark down of our recent purchase of the Pleasant (which was marked from 81.72 down to 76.72),

However, the end of month in price mark that we just received from IBIS indicated that the price of the security remains at 81.72 —Please see attached the end of month mark.

Could you please kindly and urgently check this for us?

Many thanks,

Kind Regards,

Phillip Chan
Basis
P: +61 (0) 3 8234 5500
D: +61 (0) 3 8234 5555
E: philip@iws-nx.com.au
W: www.basis.com.au

Confidential: The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from using, disclosing, copying or distributing the information or any attachments to this email in any way. Without written permission, you are not authorized to copy or redistribute Basis Capital does not accept legal responsibility for the accuracy of this message.

Although Basis Capital operates anti-virus programs, it does not waive responsibility for any damage whatsoever that is caused by viruses being passed.

F: Michele Molloy, Macdara (mailto:macdara.molloy@gs.com)
S: Phillip Chan
Cc: Sahil Sachdev; Hammatt, Julie; Mattaros, George (GSJRW); Peter O'Donnell; Fei An; Trindas
Subj: Updated Calls and reports

Phillipa,

I thought it would be helpful to send updated reports and calls for both funds.

We have updated the 25% HD for Yield Alpha and hopefully you are happy with George's explanation of the new price on the VBFLAT attached.

We now see the following calls with details attached:

BASIS PAC-RIM OPPORTUNITY FUND (MASTER) - $200,000
BASIS YIELD ALPHA FUND (MASTER) - $720,000

Please let me know if you agree and the value data you will be paying the funds for.
Regards,

Mazda

Morgan Valueline & Pricing
Goldman Sachs International
Chiswick Court | 10-15 Newgate Hill | London EC1A 7HD
T: +44 (0) 20 7714 8629
F: +44 (0) 20 7714 7939
E: Mazda.Mktg@gs.com

This message may contain information that is confidential or privileged. If you are not the intended recipient, please advise the sender immediately and delete this message. See http://www.gs.com/deliveries/email for further information on confidentiality and the risks involved in electronic communication.

---

From: Hamnett, Julie
To: Maltezos, George (GSNY); Phillips Chen; Peter O'Donnell; Fei An; Trades
Cc: McEvoy, Mazda; saachdev@bankofamerica.com.au
Subjects: RE: BASED YIELD ALMA MARGIN CALL 25 APR 07

Phillip,

Do you agree with the below, if so please can you confirm your proposed margin movement.

Thanks

Julie

---

From: Maltezos, George (GSNY)
To: Phillips Chen; Hamnett, Julie; Peter O'Donnell; Fei An; Trades
Cc: McEvoy, Mazda; saachdev@bankofamerica.com.au
Subjects: RE: BASED YIELD ALMA MARGIN CALL 25 APR 07

Hi Phillip,

I checked with the secondary trader (Philip Ha) in NY and he confirmed the mark on NYFLAT. He said this was due to the 8.7% distribution on April 30.

I hope this helps.

Rgds,

George

---

George Maltezos, CFA
Executive Director
Head of Structured Asset Solutions

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002003107
From: Phillipa Chen [mailto:pchen@basisap.com.au]
Sent: Monday, 30 April 2007 4:14 PM
To: Hamnett, Julie - GS; Peter O'Donnell; Fel An; Mathews, George;
Trades
Cc: Molyo, MacLara - GS
Subjects: RE: BASIS YIELD ALPA MARGIN CALL 25 APR 07

Thank you very much for that Julie.

We'll be grateful if you could come back with the price for NYFAT and will meet the call as soon as we hear back from you.

Thank you and have a nice day.

Kind regards,

Phillipa Chen

Basis
P: +61-(0) 1-8234 5500
D: +61-(0) 1-8234 5501
E: pchen@basisap.com.au
W: www.basisap.com.au

---

From: Hamnett, Julie [mailto:Julie.hamnett@gs.com]
Sent: Friday, April 27, 2007 11:26 PM
To: Phillipa Chen; Peter O'Donnell; Fel An; Mathews, George (GSJRW);
Trades
Cc: Molyo, MacLara
Subjects: RE: BASIS YIELD ALPA MARGIN CALL 25 APR 07

Hi Phillipa,

The haircut for Pleasant Point has been amended to 25%, resulting in a margin call to you for USD 700,000. I have attached the PDF file containing the new marks, please confirm your agreement.

We are continuing to investigate the price query for Pac Rim.

Best regards

Julie

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002003108
Footnote Exhibits - Page 4504

From: Phillipa Chen [mailto:phchen@basiscap.com.au]
Sent: Friday, April 27, 2007 12:55 AM
To: Hammett, Julie; Peter O'Donnell; fel an; Maltzes, George (GDRW); Trades
Subject: RE: BASIS YIELD ALMA MARGIN CALL 25 APR 07

Hi Julie,

Hope you are well.

We have some questions regarding the call amount: the major contribution for the US 2.0m call is our recent purchase. Please note that 3.99 million call amount. We only recently bought this security and the haircut amount should be 25% instead of 50% as shown in the margin call examiner. Could you please double check for us?

Also could you please kindly review the price for NYFLAT 6.25%. As at the end of March the price was 74 and it is now priced at 87. Could you please kindly review this price with your pricing team and advise?

Many thanks,

Kind Regards,

Phillipa Chen
Basis
P: +61 (0) 2 8343 5500
D: +61 (0) 2 8343 5513
F: +61 (0) 2 8343 5501
E: phchen@basiscap.com.au
W: www.basiscap.com.au

Disclaimer:
The information contained in this e-mail is confidential and privileged. If you are not the intended recipient, you are prohibited from copying, distributing or disclosing the contents of this e-mail. Please destroy this e-mail and return the original if you are not the intended recipient. Goldman Sachs and/or Goldman Sachs Australia do not accept any liability for the contents of this message. Although Goldman Sachs and/or Goldman Sachs Australia has taken reasonable precautions to ensure that no virus has infected this e-mail, we accept no responsibility for any changes whatever that may occur by virtue of this being passed.

From: Hammett, Julie [mailto:juile.hammett@gs.com]
Sent: Friday, April 27, 2007 2:24 AM
To: Peter O'Donnell; Phillipa Chen; fel an; Maltzes, George (GDRW); Trades
Cc: Hammett, Julie
Subject: BASIS YIELD ALMA MARGIN CALL 25 APR 07

Hello,

We are exceed by USD 3,200,000 today – please see attached for trade details and advice if you are able to meet our call.

Confidential Treatment Requested by Goldman Sachs

GS BSS-E-0020203109
Footnote Exhibits - Page 4505

From: Sharma, Niyanyand
Sent: Wednesday, May 16, 2007 9:24 AM
To: Lehman, David A.; fic-spotd
Subject: RE: Yld tables
Attachments: Timberwolf I, Price-DM Table 05-16-2007.xls

Attached is a price DM table for Timberwolf I.

<table>
<thead>
<tr>
<th>From:</th>
<th>Timberwolf I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent:</td>
<td>Price-DM Table 05-16-2007.xls</td>
</tr>
</tbody>
</table>

Would it be possible to get px/dm tables for the following positions:

- **TWOLF A2**
  - Centered @ +500 DM, up and down 10 pts by 2 pt increments
- **TWOLF B**
  - Centered @ +750 DM, up and down 10 pts by 2 pt increments
- **PTFLS A1**
  - Centered @ +250 DM, up and down 5 pts by 1 pt increments
- **PTFLS A2**
  - Centered @ +400 DM, up and down 10 pts by 2 pt increments
- **PTFLS B**
  - Centered @ +600 DM, up and down 10 pts by 2 pt increments

---

Goldman, Sachs 
85 Broad Street 
New York, NY 10004 
Tel: 212-902-2927 Fax: 212-995-9581 
Mkt: 917  
e-mail: david.lehman@gsg.com

David Lehman  
Fixed Income, Currency & Commodities

Disclaimer:

This material has been prepared specifically for you by the Goldman Sachs Fixed Income Structured Product Group (SPG) Trading Desk and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Opinions expressed are our current opinions only. The material is based upon public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Additionally, the material is based on certain factors and assumptions as the SPG Trading Desk may in its absolute discretion have considered appropriate. There can be no assurance that these factors and assumptions are accurate or complete, that estimated returns or projections can be realized, or that actual returns or results will not be materially different than those projected. Certain transactions, including those involving ABS, CMBS, and CDOs, may give rise to substantial risk and are not suitable for all investors. The SPG Trading Desk may have accumulated long or short positions in, and buy or sell, the securities that are the basis of this analysis. The SPG Trading Desk does not undertake any obligation to update this material.

---

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis Report Footnote #2417

GS MBS-E-00181022
**Modeling Assumptions**

### Liability-Related Assumptions

- Modeling assumes a $1,000,000,000 transaction with the following capital structure:

<table>
<thead>
<tr>
<th>Class</th>
<th>Initial Balance (Basis)</th>
<th>% of Capital Structure</th>
<th>Stated Margin</th>
<th>Initial OC</th>
<th>Target OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>AAA / AAA</td>
<td>$80.00 MM</td>
<td>N/A</td>
<td>3x1 + 0.26%</td>
<td>N/A</td>
</tr>
<tr>
<td>Class B</td>
<td>AAA / AAA</td>
<td>$80.00 MM</td>
<td>N/A</td>
<td>3x1 + 0.35%</td>
<td>N/A</td>
</tr>
<tr>
<td>Class C</td>
<td>AAA / AAA</td>
<td>$100.00 MM</td>
<td>10.0%</td>
<td>3x1 + 0.50%</td>
<td>1000.0%</td>
</tr>
<tr>
<td>Class D</td>
<td>AAA / AAA</td>
<td>$200.00 MM</td>
<td>20.0%</td>
<td>3x1 + 0.50%</td>
<td>333.3%</td>
</tr>
<tr>
<td>Class E</td>
<td>AAA / AAA</td>
<td>$300.00 MM</td>
<td>20.0%</td>
<td>3x1 + 1.00%</td>
<td>333.3%</td>
</tr>
<tr>
<td>Class F</td>
<td>AAA / AAA</td>
<td>$400.00 MM</td>
<td>20.0%</td>
<td>3x1 + 1.00%</td>
<td>333.3%</td>
</tr>
<tr>
<td>Class G</td>
<td>AAA / AAA</td>
<td>$600.00 MM</td>
<td>20.0%</td>
<td>3x1 + 1.00%</td>
<td>333.3%</td>
</tr>
<tr>
<td>Class H</td>
<td>AAA / AAA</td>
<td>$800.00 MM</td>
<td>20.0%</td>
<td>3x1 + 1.00%</td>
<td>333.3%</td>
</tr>
</tbody>
</table>

- The payment date for each class of notes takes place on the 3rd day of each March, June, September, and December, commencing on September 2007.
- Ongoing Fees and Expenses:
  - Base Collateral Management Fee - 4 bps p.a.
  - Deferred Structuring Expense - 2 bps p.a.
  - Trustee and Administrative Fees & Expenses - 0bps p.a.
- The transaction is expected to have a Cash Flow Swap (FX Swap) with a maximum notional amount of $50.00 and a commitment fee equal to 25 bps p.a.

### OC Test

<table>
<thead>
<tr>
<th>Class</th>
<th>OC Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>103.4%</td>
</tr>
<tr>
<td>Class B</td>
<td>103.5%</td>
</tr>
<tr>
<td>Class C</td>
<td>103.7%</td>
</tr>
<tr>
<td>Class D</td>
<td>103.1%</td>
</tr>
</tbody>
</table>

### Asset-Related Assumptions

- The spreads / coupons on the assets in the portfolio used for modeling purposes in every period are based on the expected spreads / coupons for each asset in the warehouse, based on such asset's expected amortization profile (and not of the 5 bps p.a. fee to CS as put provider)
- Default Swap Collateral is assumed to income interest at 1m L + 10 bps
- No trading gains or gains on assets are assumed
- All interest payments are held in cash for 30 days, and all principal proceeds are held in cash for 55 days, each earning a rate of 1 month LIBOR minus 30 bps prior to distribution on each quarterly payment date
- All principal proceeds are used to pay down the liabilities; there is no reinvestment period in this transaction
- Defaults (if any) commence in September 2005; Recoveries are 40% and take place immediately upon default

**Other Assumptions**

- Runs assume Auction Cell in Pd 97
### Timberwolf I, Ltd

#### Price/DM Table

<table>
<thead>
<tr>
<th>Class A2</th>
<th></th>
<th>Class B</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DM</td>
<td>Price</td>
<td>DM</td>
<td>Price</td>
</tr>
<tr>
<td>71.65%</td>
<td>7.78%</td>
<td>63.68%</td>
<td>15.52%</td>
</tr>
<tr>
<td>73.65%</td>
<td>7.18%</td>
<td>64.68%</td>
<td>9.67%</td>
</tr>
<tr>
<td>75.65%</td>
<td>6.61%</td>
<td>66.68%</td>
<td>9.24%</td>
</tr>
<tr>
<td>77.65%</td>
<td>6.05%</td>
<td>68.68%</td>
<td>8.64%</td>
</tr>
<tr>
<td>79.65%</td>
<td>5.52%</td>
<td>70.68%</td>
<td>8.06%</td>
</tr>
<tr>
<td>81.65%</td>
<td>5.00%</td>
<td>72.68%</td>
<td>7.50%</td>
</tr>
<tr>
<td>83.65%</td>
<td>4.50%</td>
<td>74.68%</td>
<td>6.96%</td>
</tr>
<tr>
<td>85.65%</td>
<td>4.01%</td>
<td>76.68%</td>
<td>6.44%</td>
</tr>
<tr>
<td>87.65%</td>
<td>3.54%</td>
<td>78.68%</td>
<td>5.94%</td>
</tr>
<tr>
<td>89.65%</td>
<td>3.08%</td>
<td>80.68%</td>
<td>5.45%</td>
</tr>
<tr>
<td>91.55%</td>
<td>2.63%</td>
<td>82.68%</td>
<td>4.97%</td>
</tr>
</tbody>
</table>
Footnote Exhibits - Page 4509

--- Original Message ---
From: Montag, Tom
Sent: Wednesday, June 13, 2007 9:06 PM
To: Lehman, David A.
CC: Sparks, Daniel L.; Mullen, Donald
Subject: RE: Basis - done on 50mm Twofl AAA and 50mm Twofl AA in CDS format

great

--- Original Message ---
From: Lehman, David A.
Sent: Thursday, June 14, 2007 10:06 AM
To: Montag, Tom
CC: Sparks, Daniel L.; Mullen, Donald
Subject: Re: Basis - done on 50mm Twofl AAA and 50mm Twofl AA in CDS format

If u assume cda = cash, we have 99mm Twofl AAs and 57mm AAs in cash bond left

--- Original Message ---
From: Montag, Tom
To: Lehman, David A.
CC: Sparks, Daniel L.; Mullen, Donald
Sent: Thursday, June 14, 2007 10:06 AM
To: Montag, Tom
CC: Sparks, Daniel L.; Mullen, Donald
Subject: Re: Basis - done on 50mm Twofl AAA and 50mm Twofl AA in CDS format

how much is left of each now?

--- Original Message ---
From: Lehman, David A.
Sent: Thursday, June 14, 2007 10:06 AM
To: Montag, Tom
CC: Sparks, Daniel L.; Mullen, Donald
Subject: Re: Basis - done on 50mm Twofl AAA and 50mm Twofl AA in CDS format

$55

Confidential Treatment Requested by OGC
----- Original Message -----  
From: Montag, Ton
To: Lehman, David A.
Cc: Sparks, Daniel L; Mullen, Donald
Subject: Re: Basis - done on 50mm Twolf Aaa and 50mm Twolf Aa in Cds format

Where did we have AA marked?

----- Original Message -----  
From: Lehman, David A.
To: Montag, Ton
Cc: Sparks, Daniel; Mullen, Donald
Subject: Re: Basis - done on 50mm Twolf Aaa and 50mm Twolf Aa in Cds format

Basis Capital is an AU (sydney) account which has been both a CDO buyer and CDO issuer/operator.

They are big and real in the sector.

Trading prices imply appr $4 on the AAAs and 76 on the AAs assuming 0bp cash/cds basis.

Acot wanted to trade in CDS b/f of the term "funding" GS is supplying through buying protection vs. granting the monthly/month financing risk in the repo market if they owned the bonds.

We pushed them towards cash but this was their preferred format.

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street  |  New York, NY 10004
Tel: 212-902-2077  |  Fax: 212-902-1691  |  Mob: 917-969-7074

----- Original Message -----  
From: Montag, Ton
To: Lehman, David A.
Subject: Re: Basis - done on 50mm Twolf Aaa and 50mm Twolf Aa in Cds format

Is it from basis? I don't know them.

Why would they write protection vs buying the underlying? What price does this imply?

----- Original Message -----  
From: Lehman, David A.
To: Swenson, Michael; Mullen, Donald; Neffman, Lester R; Sparks, Daniel L; Montag, Ton
Subject: Basis - done on 50mm Twolf Aaa and 50mm Twolf Aa in Cds format

Great job by george malczewski - we have put 50mm of TWOLF Aaa protection @ 450 and 50mm of TWOLF Aa protection @ 650, fixed cap w/ implied writedown.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001914581
From: Maltese, George (GSJBW)
To: Lehman, David A; Egil, Jonathan
Cc: Chaudhary, Omar; Bohn, Bunty; Sparks, Daniel L
Subject: Re: Point Pleasant mark

The David,

I have been exchanging messages with Stuart Fowler over the last hour or so.

Indeed they need to be synched with G3 on such issues. We claim we have marked point pleasant down 3 times since they bought the bonds. I believe he is mistaken. I feel I have been progressing things, to get to a resolution, but not officially there as yet. I have offered them time on the phone with you/trading to clarify all but no word back from Stuart. Its now 1030pm here.

Let's get the final legal issue (re isda) resolved and hit them back.

Ages
George

George Maltese
Structured Asset Solutions
Tel: 623-900-1431
Mob: 61-

----- Original Message -----
From: Lehman, David A <David.lehman@gs.com>
To: Maltese, George; Egil, Jonathan M - G3; Chaudhary, Omar J - G3; Bohn, Bunty B - G3; Sparks, Dan L - G3
Subject: Re: Point Pleasant mark

They need to be comfortable with their mark.

G3 has moved since their purchase, as evidenced by the pricing we are showing them on the offered side of the kinderwolf AAA and AA.

I am happy to get on the phone and discuss.

Should be no disconnect here b/w basis and the desk.

David A. Lehman
Goldman, Sachs & Co.
95 Broad Street | New York, NY 10004
Tel: 212-905-2927 | Fax: 212-905-1601 | Mob: 917-
e-mail: david.lehman@gs.com

Confidential Treatment Requested by Co.
----- Original Message ----- 
From: Maltese, George (GM1SW )
To: Lehman, David A.; Egel, Jonetham
Cc: Chandhary, Omar; Mohra, Rusty
Sent: Tue Jun 12 06:47:39 2007
Subject: FW: Point Pleasant mark

For Mr. Lehman...tkx

From: Maltese, George
Sent: Tuesday, 12 June 2007 8:46 PM
To: 'Stuart Fowles'
Cc: John Murphy; Sabil Sachdev
Subject: RE: Point Pleasant mark

Stuart - I assure you no foul here.

You bought these bonds at 1200dm / 81.75 dollar price on April 19 and the 75 mark for end-May is the first adjustment we've made since you bought the bonds.

I can also confirm we traded an original large block at 1000dm/88.33 dollar price at time of pricing the deal (April 19).

At just a week after the official pricing of the Pt Pleasant deal, we deemed 1200dm to be fair & reasonable - reflecting a "fair & reasonable" premium for the lack of liquidity for a block trade, and I can assure you each of John Hibbe, Dan Sparks & I sincerely appreciated your support.

I want to offer you some 1-on-1 time with the trading desk at your earliest convenience to walk through their trading activities and how the MTM movements have been reflected.  This can also be used to discuss the Timberwolf paper.

Please let me know how I can help address these issues.

g

George Maltese, CPA
Executive Director
Need of Structured Asset Solutions

GS MBS-E-001012306
George why is this happening each month?
Did we buy the bonds over a GS mark and that keeps coming back at us?
Is there some sort of internal price wedge between us, GS NY and through you?
I need to be very clear on this and are we going to see a similar problem on timberwolf?
Stuart

Stuart Fowler
Managing Director
Basis Capital
Disclaimer:
This message is subject to the Disclaimer on

Hey GM,
Our Point Pleasant bonds have been marked down from a purchase price of 81.7 to 75 (for month end mark and for Margin call).
Considering we just bought this, why the significant move?
Also what should we do about the margin call whist this issue is pending?

GS MBS-E-00191240
Regards,
Izhil Sachdev

Structured Credit
Level 37, Gateway Building,
1 Macquarie Place
Sydney, Australia
+ 61 2 8224 5513
saachdev@basiscap.com.au <mailto:saachdev@basiscap.com.au>

Disclaimer:
The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from using, disclosing, copying or distributing the information in or attachments to this email in any way. Internet communications are not secure and therefore Basis Capital does not accept legal responsibility for the contents of this message. Although Basis Capital operates anti-virus programmes, it does not accept responsibility for any damage whatsoever that is caused by viruses being passed.

Please note that Goldman Sachs JBWere makes important disclosures of its interests at http://www.gsjbw.com/Disclosures

GOLDMAN SACHS JBWere PVT LTD DISCLAIMER
Goldman Sachs JBWere Pty Ltd and its related entities distributing this document and each of their respective directors, officers and agents ("Goldman Sachs JBWere Group") believe that the information contained in this document is correct and that any estimates, opinions, conclusions or recommendations contained in this document are reasonably held or made as at the time of compilation. However, no warranty is made as to the accuracy or reliability of any estimates, opinions, conclusions, recommendations (which may change without notice) or other information contained in this document and, to the maximum extent permitted by law, Goldman Sachs JBWere Group disclaims all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through reliance on anything contained in or omitted from this document. This document is for the intended recipient only and is provided on the condition that you keep it confidential and do not copy or circulate it in whole or in part.

No part of this document may be reproduced without the permission of Goldman Sachs JBWere Group.

Copyright in this document is owned by Goldman Sachs JBWere Pty Ltd. The Goldman Sachs JBWere Group does not represent or warrant that any attached files are free from computer viruses or other defects.
Any files provided may only be used on the basis that the user assumes all responsibility for any loss, damage or consequence resulting directly or indirectly from their use. The liability of the Goldman Sachs JBWere Group is limited in any event to either the re-supply of the attached files or the cost of having the attached files re-supplied. All reasonable efforts are made to prevent dissemination of viruses through the electronic portal.

Copyright in this document is owned by Goldman Sachs JBWere Pty Ltd. 2007 Goldman Sachs JBWere Pty Ltd, ABN 21 006 797 897, AFSL 243346. All rights reserved.

If you do not wish to receive future communications of this nature, you can unsubscribe by going to:

If you require any further information regarding our SPAM policy, please email spam-officer@gsjn.com.

Goldman Sachs JBWere Group 1300 366 790 or (61 3) 9679 1534

GS MS-E-00191240
Ok. It is my understanding it only got marked down once, but this should be easy to clear up.

I want to be constructive Stuart. I know it getting late, and I apologise for chewing up your evening. I still think a conversation with the trading desk should clarify all. Let me know when it suits you to do this call.

I am at your disposal.

George Maltezos
Structured Asset Solutions
Tel: 612 9320 1431
Mob: 61255499

----- Original Message ----- 
From: Stuart Fowler <sfowler@basiscap.com.au>
To: Maltezos, George
Cc: John Murphy <jmurphy@basiscap.com.au>; Sahil Sachdev <ssachdev@basiscap.com.au>
Sent: Tue Jun 12 21:42:54 2007
Subject: Re: Point Pleasant mark

We saw a real in the first week of buying them - down - then April month end and now May month end. - I recall each time taking the bonds under 90.

Maybe the Basis guys can confirm this?

Stuart Fowler
Managing Director
Basis Capital
Disclaimer:
This message is subject to the Disclaimer on http://www.basiscap.com.au/email/disclaimer.htm

----- Original Message ----- 
From: Maltezos, George <george.maltezos@gsjbw.com>
To: Stuart Fowler
Cc: John Murphy; Sahil Sachdev
Sent: Tue Jun 12 21:30:04 2007
Subject: Re: Point Pleasant mark
I'm not sure I understand what you mean by 3 times since you bought the bonds. Point pleasant BBB have been marked down once since you've bought,...reflecting overall softness in the market.

I want to resolve this Stuart.

We don't want to have a disconnect between Basis and GS. Let's do a call with our trading desk. Ok? This can happen now if you are free, or first thing in the morning.

Let me know how we can resolve.

George Maltizos
Structured Asset Solutions
Tel: 612 9323 1431
Mob: 61

----- Original Message ----- 
From: Stuart Fowler <sfowler@basiscap.com.au>
To: Maltizos, George
Cc: John Murphy <jmurphy@basiscap.com.au>; Sahil Sachdev <ssachdev@basiscap.com.au>
Sent: Tue Jun 12 21:11:33 2007
Subject: Re: Point Pleasant mark

Why have we seen this happen 3 times now since buying them at "fair" price?
Surely the market has generally improved - not backed up 6 points - every time we get to a pricing date?
I am still not convinced nor happy.

Stuart Fowler
Managing Director
Basis Capital
Disclaimer:
This message is subject to the Disclaimer on http://www.basiscap.com.au/emaildisclaimer.htm

----- Original Message ----- 
From: Maltizos, George <george.maltizos@gsbw.com>
To: Stuart Fowler
Cc: John Murphy; Sahil Sachdev

PS-Basic_Capital_Group-03-0002
Sent: Tue Jun 12 20:45:31 2007
Subject: RE: Point Pleasant mark
Stuart – I assure you no foul here.

You bought these bonds at 1200dm / 81.75 dollar price on April 19 and the 75 mark for end-May is the first adjustment we've made since you bought the bonds.

I can also confirm we traded an original large block at 1000dm/88.33 dollar price at time of pricing the deal (April 10).

At just a week after the official pricing of the Pt Pleasant deal, we deemed 1200dm to be fair & reasonable – reflecting a "fair & reasonable" premium for the lack of liquidity for a block trade, and I can assure you each of John Nietzsche, Dan Sparks & I sincerely appreciated your support.

I want to offer you some 1-on-1 time with the trading desk at your earliest convenience to walk through their trading activities and how the MTM movements have been reflected. This can also be used to discuss the Timberwolf paper.

Please let me know how I can help address these issues.

gm

George Maltzanos, CFA
Executive Director
Head of Structured Asset Solutions

Telephone 612 9320 1431
Facsimile 612 9320 1222
George why is this happening each month?
Did we buy the bonds over a GS mark and that keeps coming back at us?
Is there some sort of internal price wedge between us, GS NY and through you?
I need to be very clear on this and are we going to see a similar problem on timberwolf?

Stuart

Stuart Fowler
Managing Director
Bash Capital.

Disclaimer:
This message is subject to the Disclaimer on http://www.basiscap.com.au/emaildisclaimer.htm

----- Original Message ----- 
From: Sahil Sachdev 
To: Stuart Fowler 
Sent: Tue Jun 12 18:14:21 2007 
Subject: Fw: Point Pleasant mark 

Fv

Sahil Sachdev
Basis Capital

Disclaimer:
This message is subject to the Disclaimer on http://www.basiscap.com.au/email/disclaimer.htm

----- Original Message ----- 
From: Maltezos, George <george.maltezos@gsjbw.com>
To: Sahil Sachdev
Cc: Carrell, Paul <paul.carrell@gsjbw.com>; John Murphy; Chris Collins; Peter Dobson
Date: Tue, June 12, 18:11:09 2007
Subject: RE: Point Pleasant mark

Hi Sahil - there has certainly been further softening in the market since the Point Pleasant trade was put on 8 weeks ago. We have in fact traded some Point Pleasant BBBs at this level in the last 2 weeks, as compared to much worse levels we are hearing/seeing being done in the market on other AA-CDOspv deals. This is regarded consistent with the marked down Timberwolf paper, and the current offer (to basis) at ~84% (for AAA) and ~77% (for AAs).

I hope this is helpful.

Tks,

George

George Maltezos, CFA
Executive Director
Head of Structured Asset Solutions

Telephone  612 9320 1431
Facsimile  612 9320 1222
Mobile  61
george.maltezos@gsjbw.com  <mailto:george.maltezos@gsjbw.com>
From: Sahil Sachdev [mailto:sachdev@basicszp.com.au]
Sent: Tuesday, 12 June 2007 5:47 PM
To: Malazoo, George
Cc: Carnett, Paul; John Murphy; Chris Collins; Peter Dobson
Subject: Point Pleasant mark

Hey GM,

Our Point Pleasant bonds have been marked down from a purchase price of 81.7 to 75 (for month end marks and for margin call).

Considering we just bought this, why the significant move?!

Also what should we do about the margin call whilst this issue is pending?

Regards,

Sahil Sachdev

Structured Credit
Level 37, Gateway Building,

1 Macquarie Place

Sydney, Australia

' + 61 2 8234 5513

ssachdev@basiscap.com.au <mailto:ssachdev@basiscap.com.au>


Disclaimer:
The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from using, disclosing, copying or distributing the information in or attachments to this email in any way. Internet communications are not secure and therefore Basis Capital does not accept legal responsibility for the contents of this message. Although Basis Capital operates anti-virus programmes, it does not accept responsibility for any damage whatsoever that is caused by viruses being passed.

Please note that Goldman Sachs JBWere makes important disclosures of its interests at

http://www.gsbow.com/Disclaimer

GOLDMAN SACHS JBWere Pty Ltd DISCLAIMER
Goldman Sachs JBWere Pty Ltd and its related entities distributing this document and each of their respective directors, officers and agents ("Goldman Sachs JBWere Group") believe that the information contained in this document is correct and that any estimates, opinions, conclusions or recommendations contained in this document are reasonably held or made at the time of compilation. However, no warranty is made as to the accuracy or reliability of any estimates, opinions, conclusions, recommendations (which may change without notice) or other information contained in this document and, to the maximum extent permitted by law, Goldman Sachs JBWere Group disclaims all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from this document. This document is for the intended recipient only and is provided on the condition that you keep it confidential and do not copy or circulate it in whole or in part.

No part of this document may be reproduced without the permission of Goldman Sachs JBWere Group. Copyright in this document is owned by Goldman Sachs JBWere Pty Ltd. The Goldman Sachs JBWere Group

http://www.gsibw.com/?p=Unsubscribe&f=george.maitzros@gsibw.com

If you require any further information regarding our SPAM policy, please email spam-officer@gsibw.com.

Goldman Sachs JBWere Group 1300 366 790 or (61 3) 9679 1534

Please note that Goldman Sachs JBWere makes important disclosures of its interests at http://www.gsibw.com/Dislosures

GOLDMAN SACHS JBWERE PTY LTD DISCLAIMER
Goldman Sachs JBWere Pty Ltd and its related entities distributing this document and each of their respective directors, officers and agents ("Goldman Sachs JBWere Group") believe that the information contained in this document is correct and that any estimates, opinions, conclusions or recommendations contained in this document are reasonably held or made as at the time of compilation. However, no warranty is made as to the accuracy or reliability of any estimates, opinions, conclusions, recommendations (which may change without notice) or other information contained in this document and, to the maximum extent permitted by law, Goldman Sachs JBWere Group disclaims all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from this document.

This document is for the intended recipient only and is provided on the condition that you keep it confidential and do not copy or circulate it in whole or in part. No part of this document may be reproduced without the permission of Goldman Sachs JBWere Group. Copyright in this document is owned by Goldman Sachs JBWere Pty Ltd. The Goldman Sachs JBWere Group does not represent or warrant that any attached files are free from computer viruses or other defects. Any files provided may only be used on the basis that the user assumes all responsibility for any loss, damage or consequence resulting directly or indirectly from their use. The liability of the Goldman Sachs JBWere Group is limited in any event to either the resupply of the attached files or the cost of having the attached files resupplied. All reasonable efforts are made to prevent dissemination of viruses through the electronic portal.

Copyright in this document is owned by Goldman Sachs JBWere Pty Ltd. 2007 Goldman Sachs JBWere Pty Ltd, ABN 21 006 797 897, AFSL 243346.

All rights reserved.

If you do not wish to receive future communications of this nature, you can unsubscribe by going to: http://www.gsibw.com/?p=Unsubscribe&f=george.maitzros@gsibw.com

If you require any further information regarding our SPAM policy, please email spam-officer@gsibw.com.

Goldman Sachs JBWere Group 1300 366 790 or (61 3) 9679 1534

Please note that Goldman Sachs JBWere makes important disclosures of its interests at http://www.gsibw.com/Dislosures

GOLDMAN SACHS JBWERE PTY LTD DISCLAIMER
Goldman Sachs JBWere Pty Ltd and its related entities distributing this document and each of their respective directors, officers and agents ("Goldman Sachs JBWere Group") believe that the information contained in this document is correct and that any estimates, opinions, conclusions or recommendations contained in this document are reasonably held or made as at the time of compilation. However, no

PSI-Basis_Capital_Group-09-0009
warranty is made as to the accuracy or reliability of any estimates, opinions, conclusions, recommendations (which may change without notice) or other information contained in this document and, to the maximum extent permitted by law, Goldman Sachs JPMorgan disclaims all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from this document.

This document is for the intended recipient only and is provided on the condition that you keep it confidential and do not copy or circulate it in whole or in part. No part of this document may be reproduced without the permission of Goldman Sachs JPMorgan. Copyright in this document is owned by Goldman Sachs JPMorgan. The Goldman Sachs JPMorgan Group does not represent or warrant that any attached files are free from computer viruses or other defects. Any files provided may only be used on the basis that the user assumes all responsibility for any loss, damage or consequence resulting directly or indirectly from their use. The liability of the Goldman Sachs JPMorgan Group is limited in any event to either the resupply of the attached files or the cost of having the attached files resupplied. All reasonable efforts are made to prevent dissemination of viruses through the electronic portal.

Copyright in this document is owned by Goldman Sachs JPMorgan. 2007 Goldman Sachs JPMorgan Pty Ltd, ABN 21 006 797 897, AFSL 243346.

All rights reserved.

If you do not wish to receive future communications of this nature, you can unsubscribe by going to http://www.gs.com/jp/subscriptions/subscribe?email=george.mathews@gsjw.com.

If you require any further information regarding our SPAM policy, please email spam-officer@gsjw.com.

Goldman Sachs JPMorgan Group 1300 366 790 or (61 3) 9679 1534
Footnote Exhibits - Page 4525

From: Maltezos, George (GS.JEW)
Sent: Tuesday, June 12, 2007 8:27 AM
To: Lehman, David A.; Spal, Jonathan
Cc: Chaudhary, Omar
Subject: for David Lehman

Basis questioning the 75 mark on their Pf Pleasant B-BAs.
As you know they bought 15m at 81.75 (1000dlm) and Maltezos bought 11m at 88.30 (1000dlm).
I am curious – where did you trade the last 6mm? (there were 32cm in the B-BAs close).

Does the 75 mark reflect actual trading or overall softness in the market?
I know you had indicated 70 was more like the number.

I would really appreciate your urgent attention here as Basis are crying foul...we may need to get on the phone with them NOW

Tks,
Omi
+61 402 189 115

--- Redacted by the Permanent Subcommittee on Investigations

George Maltezos, CFA
Executive Director
Head of Structured Asset Solutions
Facsimile: 613 9302 1222
Mobile: 61 417 698 737
george.maltezos@gs.com
www.gs.com

Fixed Income, Currency and Commodities
Goldman Sachs JPMorgan Chase & Co.
Level 49
1 Farrer Place
Sydney NSW 2000
Australia

Risk Factors: An investment in the securities presents certain risks, please see the Preliminary Offering Circular for a description of certain risk factors.

Disclaimer: This material has been prepared specifically for you and contains indicative terms only. All material contained herein, including proposed terms and conditions are for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation. Goldman Sachs shall have no liability, contingent or otherwise, to the user or to third parties, for the quality, accuracy, timeliness, continued availability or completeness of the data and information. Goldman Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors and/or counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of any kind.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State. These securities are being offered by the issuer and represent a new financing. A final prospectus relating to these securities may be obtained from the offices of Goldman, Sachs & Co., 85 Broad Street, New York, NY 10004.

Confidential Treatment Requested by Go

GS MBS-E-00202522
Awesome job George

----- Original Message ----- 
From: Malteros, George
To: Sparks, Dan L - GS; Lehman, David A - GS
Cc: Epol, Jonathan M - GS; Bohra, Runtu B - GS; Rozser, Simon; Case, Benjamin C - GS
Subject: RE: URGENT: Basis

We are done!

I have just spoken to Stuart Fowler.

100am trade is confirmed with Basis.

Thank you to all for your enormous focus & help to get this trade over the line.

Thx, George

----- Original Message ----- 
From: Sparks, Daniel L [mailto:dan.sparks@gs.com]
Sent: Wednesday, 13 June 2007 10:30 AM
To: Malteros, George; Lehman, David A - GS
Cc: Epol, Jonathan; Bohra, Runtu B - GS
Subject: RE: URGENT: Basis

Let me know if you need help tonight - or feel free to wake up the boys in Spain. I'd love to tell the senior guys on 30 at Risk Down Wednesday morning that you moved 100am

----- Original Message ----- 
From: Malteros, George [GJDM]
To: Sparks, Daniel L; Lehman, David A.
Cc: Epol, Jonathan; Bohra, Runtu B;
Sent: Tue Jun 12 18:01:03 2007
Subject: RE: URGENT: Basis

Dan - from what I can tell, we have credit & legal approvals in place. We will document under Long Form Conso.

I have sent to Basis an update of all the trade details & will look to execute today for 18/June settlement.

The only pending issue is related to Point Pleasant marks and helping them get comfortable with this.

I will post you on any & all updates.

George
12/323 1431

----- Original Message ----- 

Confidential Treatment Requested by Goldman, Sachs & Co. Wall Street & The Financial Crisis Report Footnote #2424 GS MBS-E-022006149
From: Sparks, Daniel L [mailto:dan.sparks@gs.com]
Sent: Tuesday, June 12, 2007 12:32 AM
To: Maltese, George; Lehman; David A; Purwanti, Nema; Spal, Jonathan; Chan, Joanne
Subject: RE: URGENT: Basis

How's it going

-----Original Message-----
From: Maltese, George [mailto:GSBMW]
Sent: Tuesday, June 12, 2007 4:18 AM
To: Lehman, David; Purwanti, Nema; Spal, Jonathan; Chan, Joanne; Maltese, George; Sparks, Daniel L
Subject: RE: Urgent: Basis

Nema,

As you know, this language is standard for Basis on all their ISDA’s, including the one we currently have with their other fund.

This language is a "must have" for Basis. They will not sign an ISDA otherwise. To give you an idea, this point was negotiated for about 3 months last year.

Given the above, and David's comments below, the only solution I see is to trade under Long Form Confirmation.

Can we pls move forward on that basis please?

Rgds,
George
612 9350 1431

-----Original Message-----
From: Lehman, David A [mailto:David.Lehman@gs.com]
Sent: Wednesday, June 13, 2007 2:29 AM
To: Purwanti, Nema; GM; Maltese, George; Chan, Joanne; Maltese, George
Cc: Spal, Jonathan; Chan, Joanne
Subject: RE: Urgent: Basis

We are fine with the below language for the current trades, but not sure we want to commit to this language for the ISDA @ this time.

Can we carve those trades out and document under a LFC?

George, can u also push the client to agree to standard MQ where they get unwound @ the appropriate side of the net? IF not, as stated, we agree to the mid language for these trades, but need to think abt it more for the ISDA.

David A. Lehman
Goldman, Sachs & Co.
95 Broad Street | New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1691 | Mob: 917-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002006150
e-mail: david.lehman@gs.com

----- Original Message ----- 
From: Parwani, Hema 
To: Lehman, David A. 
Cc: Epel, Jonathan; Maltesza, George (GSJRM); Chan, Joanna; Kobilova, Olga 
Sent: Tue Jun 12 11:31:57 2007 
Subject: URGENT: Basis 

David, 

I refer to the below correspondence re: the ISDA with Basis Yield Alpha Fund (Master), and your email which George has kindly forwarded to us for reference.

As we understand that this is fairly urgent for tomorrow morning Sydney time, in order to facilitate the process, we would just like to clarify that the Market Quotation applied in the existing ISDA with Basis Pac-5im and also for this Fund is not the standard MQ per 1992 ISDA, but the amended version of MQ (copied below for your reference). I also attach for your reference the previous discussions about this from late last year.

"The Market Quotation will apply; provided that where an Early Termination Date is designated due to the occurrence of any Additional Termination Event, any quotation from a Reference Market-maker shall be a Mid-Market Quotation. For these purposes, a "Mid-market Quotation" means a quotation from a Reference Market-maker that has been adjusted to exclude any spread; provided that, if the Reference Market-maker will not reveal the spread included in its quotation, the Calculation Agent shall determine the appropriate adjustment in good faith and a commercially reasonable manner."

Accordingly, we would appreciate if you could kindly confirm that you are OK with the above amended version of Market Quotation to apply for the ISDA with Basis Yield Alpha Fund (Master) as well.

Many thanks, Hema

Hema Parwani 
Legal Department 
Goldman Sachs

This message may contain information that is confidential or privileged.
If you are not the intended recipient, please advise the sender immediately and delete this message. See http://www.gs.com/disclaimer/email http://www.gs.com/disclaimer/email> for further information on confidentiality and the risks inherent in electronic communication.

----- Original Message ----- 
From: Maltesza, George (GSJRM) 
Sent: Tuesday, June 12, 2007 9:58 PM 
To: Parwani, Hema; Kobilova, Olga - GS 
Subject: FW: Basis 

Hema - as per a mail, please find below the OK from the business (David LEHMAN is Jon EDDI's boss).

I am keen to hear from you how to translate this to a GREEN LIGHT to trade the risk with Basis Capital.

j

Confidential Treatment Requested by Goldman Sachs 

GS MSS-E-00208151
Pls email/call me with your advice.

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street, New York, NY 10004
Tel: 212-902-2927 Fax: 212-902-1491 Mobile: 917-292-2927
e-mail: david.lehman@gs.com

-----Original Message-----
From: Lehman, David A. [mailto:david.lehman@gs.com]
Cc: Sparks, Dan L - GS; Spkl, Jonathan M - GS

Subject: Basis

As discussed, we're comfortable with "market quotation" for the ISDA with Basis Yield Alpha
and the CDS2 trade we're discussing.

Pls trade in the a.m. Sydney time & the agreed upon levels
Don't hesitate to call me if things change.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002000052
From: Maltezos, George [GILBER]
Sent: Wednesday, June 13, 2007 2:24 AM
To: John Murphy, Stuart Fowler
Cc: Lehman, David A.; Sahil Sachdev
Subject: Timberwolf

Murch & Stuart - I just wanted to mention David Lehman is in Barcelona and available for the next 500minutes to discuss the trading activities of Goldman and more specifically the Point Pleasant BBB notes.

He is en route to the airport, after which he will be flying to NY.

I wanted to ensure you had the opportunity to speak with him while he was available on any outstanding issues.

Pls call/email me your thoughts re next steps to help finalize the Timberwolf trade.

George
+612 9320 1491

-----Original Message-----
From: Stuart Fowler [mailto:stuartfowler@basiscap.com.au]
Sent: Wednesday, June 2007 10:07 AM
To: Maltezos, George
Subject: RE: Stuart - are you free to talk?

No - I am going into a 2 hour DOJ session .... it will have to be late this afternoon...

-----Original Message-----
From: Maltezos, George [mailto:george.maltezos@gsjgbw.com]
Sent: Wednesday, June 2007 10:55 AM
To: Stuart Fowler
Subject: Stuart - are you free to talk?

From: Maltezos, George
Sent: Wednesday, June 2007 7:24 AM
To: Stuart Fowler', John Murphy, Sahil Sachdev
Cc: Lehman, David A.; G. Carrett, Paul; Marcia, Kate; Maltezos, Jeremy
Subject: Timberwolf I, Ltd. -- PANG trade with Basis Cap (YIELD ALPHA FUND)

Good Morning Stuart.

Not sure how you want to deal with the Point Pleasant marks/discussion.
FYI - David Lehman (copied above), who runs out CDO trading business in NY is currently in Barcelona (conference) and available this morning to take your call to clarify any and all questions you have on the marking policy of Goldman, the actual marking of Point Pleasant, and the overall trading that has been seen by the GS desk in the last 1-6 months.

Please find below and attached updated trade details and cashflows on the $100m Timberwolf PANG trade. We are looking to trade this under Long Form Confirmation, incorporating all of the negotiated terms with Peter Dohse (which obviously reflects the standard language used by Basis on all of its ISDAs with the street).

Following the resolution of docc & credit, these are FIRM LEVELS (BID SIDE PROTECTION).
We would look to agree & trade this with Basel today for settlement Mon June 18, 2007.

You can reach me (at any time) on 0403 189 116 / (02) 9520 1431.

TWNLF 07-1 A2 Trade Details ("AAA" notes):
- Protection Seller: Meisa Capital (Yield Alpha Fund)
- Trade Date: June 13, 2007
- Effective Date: June 18, 2007
- Reference Obligation: TWNLF 2007-1A A2
- Reply: 887144003
- Legal Final Maturity: December 3, 2047
- Fixed Rate: 0.99%
- Initial Payment: 15.87% (as per attachment) from Buyer to Seller (held until final payment date)
- Reference Obligation Coupon: LIBOR 03M + 0.99%
- Initial Face: USD 50,000,000
- Initial Factor: 1.0000
- Reference Obligation Payment Date: 3rd
- Credit Events: Failure to Pay Principal; Writedown; Failure to Pay Interest; Distressed Ratings Downgrade
  - Implied Writedown: Applicable
  - Interest Shortfall Cap: Applicable
  - Interest Shortfall Cap Basis: Fixed Cap
  - Interest Shortfall Compounding: Applicable
  - Reference Entity: Timberwolf Ltd
  - Scheduled Termination Date: December 3, 2047
  - Calculation Agent: Protection Buyer
- Notifying Party: Protection Buyer
- Initial Margin Amount: 7.5% of Initial Face

TWNLF 07-1 B Trade Details ("AA" notes):
- Protection Seller: Meisa Capital (Yield Alpha Fund)
- Trade Date: June 13, 2007
- Effective Date: June 19, 2007
- Reference Obligation: TWNLF 2007-1A B
- Reply: 887144001
- Legal Final Maturity: December 3, 2047
- Fixed Rate: 1.49%
- Initial Payment: 22.69% (as per attachment) from Buyer to Seller (held until final payment date)
- Reference Obligation Coupon: LIBOR 03M + 1.49%
- Initial Face: USD 50,000,000
- Initial Factor: 1.0000
- Reference Obligation Payment Date: 3rd
- Credit Events: Failure to Pay Principal; Writedown; Failure to Pay Interest; Distressed Ratings Downgrade
  - Implied Writedown: Applicable
  - Interest Shortfall Cap: Applicable
  - Interest Shortfall Cap Basis: Fixed Cap
  - Interest Shortfall Compounding: Applicable
  - Reference Entity: Timberwolf Ltd
  - Scheduled Termination Date: December 3, 2047
  - Calculation Agent: Protection Buyer
- Notifying Party: Protection Buyer
- Initial Margin Amount: 15% of Initial Face

Yrs,

2

GS MBS-E-001918504
Footnote Exhibits - Page 4532

George Maltezos, CPA  
Executive Director  
Head of Structured Asset Solutions  
Telephone 612 9330 1451  
Facsimile 612 930 1277  
Mobile 612 9330 1451  
george.maltezos@gsjw.com  

From: Sharmi, Nityanand (mailto:Nityanand.Sharmi@gs.com)  
Sent: Wednesday, 13 June 2007 2:40 AM  
To: Maltezos, George  
Cc: Case, Benjamin C - GS; Bieber, Matthew G - GS; Leibman, David A - GS; Chaudhary, Omar J - GS; Behn, Bumny N - GS; Carritt, Paul; Holleston, Jeremy; Harris, Kate; Creed, Christopher J - GS; Spro, Jonathan M - GS  
Subject: Timberwolf I, Ltd. -- Computational Materials for Basis Cap (144a/Reg S) (external) -- confidential  

Strictly Confidential and Proprietary

Attached are the Price/OM/Avg. Life/Duration on the Class A2 and Class B notes of the Timberwolf I transaction assuming the trade settles on 06/18/2007. Also are attached the base case cash flows. Run as assume that trade settles on 06/18/2007.

<<Timberwolf I Cash Flows 06-12-2007.sla>><<Final Offering Circular (disclaimed).pdf>>

Risk Factors: An investment in the securities presents certain risks, please see the Final Offering Circular for a description of certain risk factors.

Disclaimer:  
This material has been prepared specifically for you and contains indicative terms only. All material contained herein, including proposed terms and conditions are for discussion purposes only.

Finalized terms and conditions are subject to further discussion and negotiation. Goldman Sachs shall have no liability, contingent or otherwise, to the user or to third parties, for the quality, accuracy, timeliness, continued availability or completeness of the data and information. Goldman Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors or counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of any kind.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of those securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State. These securities are being offered by the issuer and represent a new financing. A final prospectus relating to these securities may be obtained from the offices of Goldman, Sachs & Co., 85 Broad Street, New York, NY 10004.

This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/disclaimers/email/ for further information on confidentiality and the risks of non-secure electronic communication. If you cannot access these links, please notify us by reply message and we will send the contents to you.

GS MBS-E-001918601

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 000455 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
From: Maltezos, George
To: Sahil Sachdev; John Murphy; Stuart Fowler
CC: 
Subject: RE: Point Pleasant mark
Date: Wednesday, June 13, 2007 3:32:37 AM
Attachments: image001.jpg

Stuart,
Please accept my sincerest apologies for the mis-information below. As David mentioned, the 75 mark on Pt Pleasant BBB was more reflective of an interpretation of softer AAA-AA rated CDO-sqrd paper translating to BBB part of the curve.

George

From: Maltezos, George
Sent: Tuesday, 12 June 2007 6:11 PM
To: 'Sahil Sachdev'
Cc: Carrett, Paul; John Murphy; Chris Collins; Peter Dobson
Subject: RE: Point Pleasant mark

Hi Sahil – there has certainly been further softening in the market since the Point Pleasant trade was put on 8 weeks ago. We have infact traded some Point Pleasant BBBS at this level in the last 2 weeks, as compared to much worse levels we are hearing/seeing being done in the market on other AA-CDOsqrd deals. This is regarded consistent with the marked down Timberwolf paper, and the current offer (to Basis) at ~84% (for AAs) and ~77% (for AAs).

I hope this is helpful.

Tks,
George
Hey GM,

Our Point Pleasant bonds have been marked down from a purchase price of 81.7 to 75 (for month end marks and for margin call).

Considering we just bought this, why the significant move?!

Also what should we do about the margin call whilst this issue is pending?

Regards,

Sahil Sachdev

Structured Credit

βasis

Level 37, Gateway Building,

1 Macquarie Place
Sydney, Australia
+ 61 2 8254 5513
ssachdev@basicap.com.au
www.basicap.com.au

Disclaimer:
The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are
prohibited from using, disclosing, copying or distributing the information in or attachments to this email in any way.
Internet communications are not secure and therefore Basicap Capital does not accept legal responsibility for the contents of
this message. Although Basicap Capital operates anti-virus programmes, it does not accept responsibility for any damage
whatevers that is caused by viruses being passed.

Please note that Goldman Sachs JBWere makes important disclosures of its
interests at http://www.gsjbw.com/Dislosures

GOLDMAN SACHS JBWere PTY LTD DISCLAIMER
Goldman Sachs JBWere Pty Ltd and its related entities distributing this document
and each of their respective
directors, officers and agents ("Goldman Sachs JBWere Group") believe that the
information contained in this
document is correct and that any estimates, opinions, conclusions or
recommendations contained in this
doctor are reasonably held or made as at the time of compilation. However, no
warranty is made as to
the accuracy or reliability of any estimates, opinions, conclusions,
recommendations
(which may change without notice) or other information contained in this
document and, to the maximum
extent permitted by law, Goldman Sachs JBWere Group disclaims all liability and
responsibility for any
direct or indirect loss or damage which may be suffered by any recipient through
relying on anything
contained in or omitted from this document. This document is for the intended
recipient only and is
provided on the condition that you keep it confidential and do not copy or
circulate it in whole or in part.
No part of this document may be reproduced without the permission of Goldman
Sachs JBWere Group.
Copyright in this document is owned by Goldman Sachs JBWere Pty Ltd. The Goldman Sachs JBWere Group does not represent or warrant that any attached files are free from computer viruses or other defects. Any files provided may only be used on the basis that the user assumes all responsibility for any loss, damage or consequence resulting directly or indirectly from their use. The liability of the Goldman Sachs JBWere Group is limited in any event to either the resupply of the attached files or the cost of having the attached files resupplied. All reasonable efforts are made to prevent dissemination of viruses through the electronic portal.

Copyright in this document is owned by Goldman Sachs JBWere Pty Ltd. 2007 Goldman Sachs JBWere Pty Ltd, ABN 21 006 797 897, AFSL 243346. All rights reserved.

If you do not wish to receive future communications of this nature, you can unsubscribe by going to:


If you require any further information regarding our SPAM policy, please email spam-officer@gsjbw.com.
Goldman Sachs JBWere Group 1300 366 790 or (61 3) 9679 1534
-----Original Message-----
From: Sheppard, Shaun
Sent: Wednesday, July 11, 2007 4:54 PM
To: Sheppard, Shaun; Messina, Michaela Leti; Taman, Maurice; Hammert, Julie; Kane, Nicola; Molley, Mandara; Law, Desider; Maltezos, George (GSJEW); Lunt, Lim; Sonia; Bennett, Olly; Lehman, David A.; Vinti, Matthew; Ng, Chris; Morel, Jean-Marc; Yanamoto, Yumi; Witt, Natalie; Prisano, Anthony; Bury, Jonathan; Raphofel, Alan; Armstrong, Phil; Young, Greg; Wong, June C.; Onderkirk, Gerald
Cc: Case, Benjamin; Harris, Kate (GSJEW); Bullerston, Jeremy (GSJEW); Swanson, Michael; Egol, Jonathan; Wang, Josh (IX Credit); Chan, Joanna; Desch, Andrew; Ireland, Alan; Anderson, James; Pynt, Benjamin; Vince, Robin; Rigs, Tony; Carrett, Paul; Huffman, Robyn; Waskow, Andrew; Tribolati, John; Lamb, Rob; Sween, Brian
Subject: RE: Basis

It they default, can we apply any excess from repo to swaps?

-----Original Message-----
From: Sheppard, Shaun
Sent: Wednesday, July 11, 2007 8:20 PM
To: Sheppard, Shaun; Messina, Michaela Leti; Taman, Maurice; Hammert, Julie; Kane, Nicola; Molley, Mandara; Law, Desider; Maltezos, George (GSJEW); Spinks, Daniel L; Lim, Sonia; Bennett, Olly; Lehman, David A.; Vinti, Matthew; Ng, Chris; Morel, Jean-Marc; Yanamoto, Yumi; Witt, Natalie; Prisano, Anthony; Bury, Jonathan; Raphofel, Alan; Armstrong, Phil; Young, Greg; Wong, June C.; Onderkirk, Gerald
Cc: Case, Benjamin; Harris, Kate (GSJEW); Bullerston, Jeremy (GSJEW); Swanson, Michael; Egol, Jonathan; Wang, Josh (IX Credit); Chan, Joanna; Desch, Andrew; Ireland, Alan; Anderson, James; Pynt, Benjamin; Vince, Robin; Rigs, Tony; Carrett, Paul; Huffman, Robyn; Waskow, Andrew; Tribolati, John; Lamb, Rob; Sween, Brian
Subject: RE: Basis

Update following conf call trading/legal/ốp [credit unable to join - have left an update v-p for Greg]

- Estimated clean funds available to meet call requirements approx USD13.5mm if Basis accepts GS bids.
- Estimated surplus after meeting repo margin requirement USD5mm approx
- documentation does not allow us to automatically use this to cover swaps collateral requirement. Client agreement/authorisation would be required.
- agreed to make client's agreement to this a condition of trade - ldm legal (Michaela) to draft suitable authorisation for David to send on.
- Ops will need to hand hold all events to make sure no external settlement made and funds applied to calls. Brian has reached out to give settlement groups a heads up.
- David to George on situation
- George to update this group on outcome of communication with Basis and how they plan to meet the calls either by accepting GS bids, or delivery of cash value tomorrow.

Shaun

-----Original Message-----
From: Sheppard, Shaun
Sent: Wednesday, July 11, 2007 7:25 PM

---End---

---End---
Footnote Exhibits - Page 4538

TO: Messina, Michaela Letti; Tamman, Maurice; Hamatt, Julie; Kane, Nicola; Molloy, Madonna; Lam, Desiree; Melzer, George (GSJEM); Sparks, Daniel; Lim, Sonja; Benkert, Olly; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Fresiano, Anthony; Bury, Jonathan; Rapoport, Alan; Armstrong, Phil; Young, Greg; Wong, June C.; Ouderkirk, Gerald
CC: Case, Benjamin; Harris, Kate (GSJEM); Rolleston, Jeremy (GSJEM); Swenson, Michael; Egpl, Jonathan; Wang, Josh (MR Credit); Chan, Joanna; Bauch, Andrew; Ireland, Alan; Anderson, James; Pynt, Benjamin; Vince, Robin; Rigs, Tom; Carrett, Paul; Huffman, Robyn; Maskow, Andrew; Tribolli, John; Lamb, Rob; Swann, Brian
Subject: RE: Basis

Have just spoken to David Lehman and we have just left a v-m with Tom Rigs:

Update:

Gerry Ouderkirk and David Lehman are to meet with Dan Sparks and Don Mullin to agree bid pricing this in the next 90 minutes or so. David will revert to this group with an update following this. We should get an idea of the clean funds which might be available to Basis if they accept our bids. Clearly preference would be for Basis to meet calls with free cash.

David and I will circle back with legal/credit/ops to establish next steps re netting margin requirements vs proceeds to make sure we don’t inadvertently release funds/securities to the client.

David has a 3pmNY/7am Sydney call with George to update and agree approach with client.

John

-----Original Message-----
From: Messina, Michaela Letti
Sent: Wednesday, July 11, 2007 6:39 PM
To: Tamman, Maurice; Hamatt, Julie; Kane, Nicola; Molloy, Madonna; Lam, Desiree; Melzer, George (GSJEM); Sparks, Daniel; Lim, Sonja; Benkert, Olly; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Fresiano, Anthony; Bury, Jonathan; Rapoport, Alan; Armstrong, Phil; Young, Greg; Wong, June C.; Shepard, Sharon
Cc: Case, Benjamin; Harris, Kate (GSJEM); Rolleston, Jeremy (GSJEM); Swenson, Michael; Egpl, Jonathan; Wang, Josh (MR Credit); Chan, Joanna; Bauch, Andrew; Ireland, Alan; Anderson, James; Pynt, Benjamin; Vince, Robin; Rigs, Tom; Carrett, Paul; Huffman, Robyn; Maskow, Andrew; Tribolli, John
Subject: RE: Basis

Copying Robyn, Andy and John in NY and London Legal.

Goldman Sachs International
Peterborough Court | 133 Fleet Street | London EC4A 2BB Tel + 44 (0) 20 7552 2305 | Fax + 44 (0) 20 7774 1996 E-mail Michaela.Letti.Messina@gs.com

Michaela Letti Messina
Executive Director and Counsel
Legal Department

This message may contain information that is confidential or privileged. If you are not the intended recipient, please advise the sender immediately and delete this message. See http://www.gs.com/disclaimer/email for further information on confidentiality and the risks inherent in electronic communication.

-----Original Message-----
From: Tamman, Maurice
Sent: Wednesday, July 11, 2007 1:06 PM

GS MBS-E-001990128
Footnote Exhibits - Page 4539

To: Tanman, Maurice; Hammatt, Julie; Kane, Nicola; Molloy, Maedors; Lam, Desiree; Maltese, George [GSZW]; Sparks, Daniel Li Lim; Sonica; Beckert, Gilly; Lehman, David A.; Vian, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Preissano, Anthony; Bury, Jonathan; Rapfogel, Alain; Armstrong, Phil; Young, Greg; Wong, June C.; Shepard, Shaun
Cc: Case, Benjamin; Harris, Kate [GSZW]; Rolleston, Jeremy [GSZW]; Swanson, Michael; Epol, Jonathan; Kong, Josh [HS Credit]; Chen, Joanna; Deach, Andrew; Ireland, Alan; Anderson, James; Messina, Michaels Letti; Pynt, Benjamin; Vince, Robin; Biggs, Tom
Carrett, Paul

Subject: Re: Basis

Conversation this morning between George Malteso, Jean-Marc Morel, Desiree Lam, Shaun Shepard and I to confirm and agree expectations and timeline/actions around Basis meeting the three calls we issued last night London time:

- Gerald Oderer’s desk to provide bid pricing on CL0 to Basis for Australian start of business – David /George please can you confirm to Gerald the positions to be priced if not already done so?
- George to speak to Basis tomorrow, Sydney AM, to agree how client will honour the margin calls
- Basis to agree calls by 12 Jul 08 Sydney time/12B London time
- Funds due to meet all calls by CBN 12 Jul

Thanks,
Maurice

This message may contain information that is confidential or privileged. If you are not the intended recipient, please advise the sender immediately and delete this message. See http://www.gs.com/disclosures/email for further information on confidentiality and the risks inherent in electronic communication.

-----Original Message-----
From: Tanman, Maurice
Sent: Tuesday, July 10, 2007 9:22 PM
To: Hammatt, Julie; Kane, Nicola; Molloy, Maedors; Lam, Desiree; Maltese, George [GSZW]; Sparks, Daniel Li Lim; Sonica; Beckert, Gilly; Lehman, David A.; Vian, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Preissano, Anthony; Bury, Jonathan; Rapfogel, Alain; Armstrong, Phil; Young, Greg; Wong, June C.; Shepard, Shaun
Cc: Case, Benjamin; Carrett, Paul; Harris, Kate [GSZW]; Rolleston, Jeremy [GSZW]; Swanson, Michael; Epol, Jonathan; Kong, Josh [HS Credit]; Chen, Joanna; Deach, Andrew; Ireland, Alan; Anderson, James; Messina, Michaels Letti; Pynt, Benjamin; Vince, Robin; Biggs, Tom

Subject: Re: Basis

All,

These margin calls have been issued late in the London day on instruction from David Lehman, with the intention of ensuring the client has time to review and respond to the margin call by CBN Australia Td.

Thanks,
Maurice

----- Original Message -----
Using the marks received by the desk, we see the following calls on BASIS:

These calls have been issued this evening London time for BASIS to receive first thing tomorrow morning.

REPO

Basis Pac Rim Opportunity $130,000

Basis Yield Alpha $12,700

DTC

Basis Yield Alpha $15,100

We will await the client's response and will keep you updated tomorrow.

Regards
Julie

----Original Message----
From: Kam, Nicola
Sent: Thursday, July 25, 2007 11:27 AM
To: Holley, Mandisa; Lai, Destrie; Mallison, George (GSJWM); Sparks, Daniel L; Lim, Sooli; Bennett, Ollie; Lehman, David A.; Yiann; Matthew; By, Chulk; Morel, Jean-Marc; Yaromizu, Tami; Witt, Natalie; Freisemn, Anthony; Tanman, Mauricio; Warmm, Julie; fry, Jonathan; Rapoff, Alen; Armstrong, Phil; Young, Greg; Wang, June C.; Sheppard, Shawn
CC: Case, Benjamin; Cairetti, Paul (GSJWM); Harris, Kate (GSJWM); Mollison, Jeremy (GSJWM); Swenson, Michael; Egl, Jonathan; Wang, Josh (RE Credit); Chan, Journée; Dusheh, Andrew; Issen, Alen; Anderson, James; Matzine, Michelle Le; Fry, Benjamin; Venet

Confidential Treatment Requested by Goldman Sachs

GS BS5-E-00190130
Adding Tom Riggs and Robin Vince into the chain for completeness.

Nicola

-----Original Message-----

From: Molloy, Macdara
Sent: Thursday, July 05, 2007 10:43 AM
To: Lam, Desiree; Maites, George [GJZW]; Sparks, Daniel L; Lim, Sonia; Bennett, Olly; Lehman, David A; Vian, Matthew; Ng, Chris; Molin, Jean-Marc; Tanamato, Yuki; Witt, Natalie; Freisano, Anthony; Tanman, Maurice; Hammett, Julie; Bury, Jonathan; Hayfogel, Alan; Armstrong, Phil; Youn, Greg; Wong, June C; Kene, Nicola; Sheppard, Shaun
Cc: Case, Benjamin; Carret, Paul [GJZW]; Harris, Kate [GJZW]; Boltston, Jeremy [GJZW]; Swenson, Michael; Epol, Jonathan; Wang, Joo (SK Credit), Chan, Joanne; Dasch, Andrew; Ireland, Alan; Anderson, James; Messina, Michelle; Lenti, Pynt, Benjamin
Subject: RE: Basis

Yes Desiree I think another call is necessary to take them through the marks, they will have left the office in Sydney by the time New York get in.

Regards,

Macdara

-----Original Message-----

From: Lam, Desiree
Sent: Thursday, July 05, 2007 10:38 AM
To: Molloy, Macdara; Maites, George [GJZW]; Sparks, Daniel L; Lim, Sonia; Bennett, Olly; Lehman, David A; Vian, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yuki; Witt, Natalie; Freisano, Anthony; Tanman, Maurice; Hammett, Julie; Bury, Jonathan; Hayfogel, Alan; Armstrong, Phil; Young, Greg; Wong, June C; Kene, Nicola; Sheppard, Shaun
Cc: Case, Benjamin; Carret, Paul [GJZW]; Harris, Kate [GJZW]; Boltston, Jeremy [GJZW]; Swenson, Michael; Epol, Jonathan; Wang, Joo (SK Credit), Chan, Joanne; Dasch, Andrew; Ireland, Alan; Anderson, James; Messina, Michelle; Lenti, Pynt, Benjamin
Subject: RE: Basis

Thanks Macdara. Does it mean that they'd need to see the full break down of the marks and

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4542

talk to David again (earliest MY time tonight) before they'd decide whether they agree on
the marks? And there'll be at least 1 day delay for their margin?

Regards,
Desiree

-----Original Message-----
From: Molloy, Nadara
Sent: Thursday, July 05, 2007 6:32 PM
To: Malteresa, George (GSZW); Lam, Desiree; Sparks, Daniel L; Lim, Sonia; Benkert, Olly;
Lehman, David A.; Viani, Matthew; Ky, Chris; Morel, Jean-Marc; Tanawoto, Tim; Witt,
Battles; Frederick, Anthony; Zeman, Maurice; Kemett, Julie; Bogy, Jonathan; Rapoff, Alan;
Armstrong, Phil; Young, Greg; Wong, June C.; Name, Nicole; Sheppard, Shaun
Cc: Case, Benjamin; Barrett, Paul (GSZW); Harris, Kate (GSZW); Rolleston, Jeremy (GSZW);
Svenson, Michael; Egel, Jonathan; Nancy, Josh (IK Credit); Chat, Joshua; Castr, Andrew; Ireland, Alan; Anderson, James; Massine, Michelle; Leti; Fynt, Benjamin
Subject: RE: Basis

Despite giving the impression that they agreed the CDO marks as discussed on the call with
the Trading desk, Basis have now stated that they want further clarification on these
marks before they are happy to meet the two Repo calls.

David - they are looking for a line by line breakdown of the changes for each mark.

The OTC has been agreed in full with a payment of $1.06mm paid for value today, we are
checking with Treasury to see when these funds hit our account.

Regards,

Nadara

-----Original Message-----
From: Malteresa, George (GSZW)
Sent: Thursday, July 05, 2007 8:17 AM
To: Lam, Desiree; Sparks, Daniel L; Lim, Sonia; Benkert, Olly; Lehman, David A.; Viani,
Matthew; Ky, Chris; Morel, Jean-Marc; Tanawoto, Tim; Witt, Battles; Frederick, Anthony;
Zeman, Maurice; Kemett, Julie; Bogy, Jonathan; Rapoff, Alan; Armstrong, Phil; Young,
Greg; Wong, June C.; Name, Nicole; Sheppard, Shaun
Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001990132
Footnote Exhibits - Page 4543

Freissno, Anthony; Tamman, Maurice; Hammatt, Julie; Bury, Jonathan; Rapfogel, Alan; Armstrong, Phil; Young, Greg

Co: Case, Benjamin; Garrett, Paul; Harris, Kate; Huy, Chil; Morel, Jean-Marce; Yamamoto, Yuki; Witt, Natalie; Mulloy, Mayhers; Freissno, Anthony F; Tamman, Maurice; Hammatt, Julie; Bury, Jonathan F; Rapfogel, Alan M; Armstrong, Phil S; Young, Gregory

Subject: RE: Basis

Update:

There was a productive call between basis and trading [Lehman, Case, Ego] re marks at 8PM EST Wednesday.

Natalie Witt and I just spoke to John Murphy at basis. It seems the marks have been accepted and we are awaiting confirmation of basis’s plans to meet the margin call.

Will revert ASAP.

George Maltos
Structured Asset Solutions
Tel: 612 9320 1431
Mob: 612 9320 1431

----- Original Message ----- 

From: Lam, Desiree <desiree.lam@ggs.com>

To: Sparks, Dan L - G; Lii, Sorial - G; Benkert, Oliver B - G; Maltos, George; Lehman, David A - G; Viani, Matthew L - G; Mg, Chil - G; Morel, Jean-Marc - G; Yamamoto, Yuki - G; Witt, Natalie - G; Mulloy, Mayhers - G; Freissno, Anthony F - G; Tamman, Maurice - G; Hammatt, Julie - G; Bury, Jonathan F - G; Rapfogel, Alan M - G; Armstrong, Phil S - G; Young, Gregory - G

Co: Case, Benjamin C - G; Garrett, Paul; Harris, Kate; Rollston, Jeremy; Swenson, Michael J - G; Ego, Jonathan M - G; Wang, Josh - G; Chan, Joanna - G; Daasch, Andrew - G; Ireland, Alan - G; Anderson, James A - G; Messina, Michaela Leti - G; Pynt, Benjamin - G


Subject: RE: Basis

Copying Greg Young in the conversation. Thx.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001960133
--- Original Message ---
From: Sparke, Daniel L
Sent: Wednesday, July 04, 2007 8:31 PM
To: Lim, Sonia; Benkert, Olly; Matersons, George (GSJNW); Lam, Desiree; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Takahashi, Yuki; Witt, Natalie; Molloy, Macdon; Freilano, Anthony; Taman, Maurice; Hammatt, Julian; Bury, Jonathan; Rapoport, Alan; Armstrong, Phil
Cc: Case, Benjamin; Carrett, Paul (GSJNW); Harris, Kate (GSJNW); Hoolsten, Jeremy (GSJNW); Swenson, Michael; Egel, Jonathan; Wang, Josh (HK Credit); Chan, Joanna; Dauach, Andrew; Ireland, Alan; Anderson, James; Messina, Michelle; Letz; Pynt, Benjamin
Subject: RE: Basis

Please keep me posted and involved if decisions get difficult.

--- Original Message ---
From: Lim, Sonia
Sent: Wednesday, July 04, 2007 6:27 AM
To: Benkert, Olly; Matersons, George (GSJNW); Lam, Desiree; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Takahashi, Yuki; Witt, Natalie; Molloy, Macdon; Freilano, Anthony; Taman, Maurice; Hammatt, Julian; Bury, Jonathan
Cc: Case, Benjamin; Carrett, Paul (GSJNW); Harris, Kate (GSJNW); Hoolsten, Jeremy (GSJNW); Sparke, Daniel L; Swenson, Michael; Egel, Jonathan; Wang, Josh (HK Credit); Chan, Joanna; Dauach, Andrew; Ireland, Alan; Anderson, James; Messina, Michelle; Letz; Pynt, Benjamin
Subject: RE: Basis

Desiree, thanks for the heads up on this. As discussed, please can you arrange for the documents for the outstanding transactions to be forwarded to us? Please can you also keep Ben Pynt copied on this as he will assist with any input which is required from legal?

Thanks, Sonia

--- Original Message ---
From: Benkert, Olly
Sent: Wednesday, July 04, 2007 6:18 PM
To: Matersons, George (GSJNW); Lam, Desiree; Lehman, David A.; Viani, Matthew; Ng, Chris;
Footnote Exhibits - Page 4545

Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Holley, Nanci; Freisano, Anthony; Tamman, Maurice; Hammett, Julie; Bury, Jonathan

CC: Case, Benjamin; Carrett, Paul (GSJPM); Harris, Kate (GSJPM); Rolleston, Jeremy (GSJPM); Sparks, Daniel J (Svenson, Michael); Bp, Jonathan; Wang, Josh (EK Credit); Lm, Sonia; Chan, Joanna; Deusch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela; Leti

Subject: RE: Basis

I am following up with ops on the corporate actions to confirm if we can agree as soon as possible what the amounts are we owe them - I understand from ops (copied on this) that there is some clarification required from Basis.

To their question about netting the corporate action payments with the repo margin calls we are in no way obliged to do that. If they don't meet our margin calls by COB tomorrow we will be within our rights to close them out under the facility agreement and more.

That said, we should discuss the approach especially given the (fairly) response from Basis with a view to agreeing the marks on the repos as soon as possible and we may take the decision to agree to net the 2 amounts but we would need resolution on the corporate actions before COB tomorrow to do so and that may not be practical.

First up I think is to agree the marks then we can work out how we want to move on the margin vs the corporate action.

------Original Message------

From: Melissa, George (GSJPM)

Sent: Wednesday, July 04, 2007 10:13 AM

To: Lam, Desiree; Lehman, David A.; Vieno, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Holley, Nanci; Bernt, Olly; Freisano, Anthony; Tamman, Maurice; Hammet, Julie

CC: Case, Benjamin; Carrett, Paul (GSJPM); Harris, Kate (GSJPM); Rolleston, Jeremy (GSJPM); Sparks, Daniel J (Svenson, Michael); Bp, Jonathan; Wang, Josh (EK Credit); Lm, Sonia; Chan, Joanna

Subject: RE: Basis

Maurice and I just finished the call with Peter Tobson (Basis).

1 - Basis have plenty of cash to make the full margin call, but the approach by Goldman has been viewed as to be very aggressive and unwarranted & is hurting the relationship

2 - Basis will arrange for v/d 5 July the Timberwolf margin ($US5.04mm) subj to them receiving a note confirming the OTC swap would pay them any M/N improvement.

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4546

3 - Basis is not prepared to pay the margin call on the Repos (US$0.72mm + US$4.63mm) until the discussion re: revals has been made. David - let's do this Thu morning SYD / Wed evening NY time. This is the case despite numerous suggestions for Basis to make a payment now and get a refund if the margin call was overstated.

4 - Basis cannot see any justification for the massive mark down in the securities (under the REPO), and are interpreting our revals as a way to reduce the repo financing line.

5 - They are disappointed Goldman have not paid to Basis the equity distributions under the REPO/SPA. We potentially owe Basis approx US$55mm here. Can this be netted against the margin call? Dilly - can you double check this pls?

6 - Basis claim Goldman have not cared to check in with Basis (from a credit perspective) to see how they are doing and instead are acting like the world is falling over with irrational behaviour.

George
+612 9320 1431

-----Original Message-----
From: Lam, Desiree [mailto:desiree.lam@gs.com]
Sent: Wednesday, 4 July 2007 6:30 TM
To: Lehman, David A - GS; Vieni, Matthew L - GS; Maltezos, George; Ng, Chris - GS; Morel, Jean-Yves - GS; Yamamoto, Yumi - GS; Witt, Natalie - GS; Holley, Mandera - GS; Rockert, Oliver B - GS; Treisman, Anthony J - GS; Tsamah, Maurice - GS; Hamatt, Julie - GS; Case, Benjamin C - GS; Carr, Paul; Harris, Kate; Rolleston, Jeremy; Sparks, Dan L - GS; Swanson, Michael J - GS; Egol, Jonathan M - GS; Wang, Jess - GS; Lin, Sonia - GS; Chen, Joanna - GS
Subject: RE: Basis
Importance: High

Even client disagrees on the marks, they are obligated to meet the call amount as provided

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001990136
by the calculator, GS. But they have the right to go through the prices with us. If they don't meet the call today, they are in danger of defaulting margin payment. George is trying to explain to client that if they have cash available, they are encouraged to first meet the call and continue the marks discussion throughout the next 2 days.

Copying Sonia Lim from Legal to confirm the legal proceedings, as we may potentially need to issue demand note tomorrow.

George, Maurice, how was the discussion with client? If necessary, we'd need to trouble David to be on call with client to understand what exactly they want to clarify in terms of the marks.

Desires

-----Original Message-----

From: Lehman, David A.
Sent: Wednesday, July 04, 2007 4:22 PM
To: Viani, Matthew; Lam, Desirée; Malecot, George (GSJ7W); Ng, Chris; Morel, Jean-Marc; Yamamoto, Yuki; Witt, Natalie; Molloy, Mandrin; Henkert, Olly; Freisach, Anthony; Tamman, Maurice; Emmett, Julie
Cc: Case, Benjamin; Garrett, Paul (GSJ7W); Harris, Kate (GSJ7W); Rollston, Jeremy (GSJ7W); Spacha, Daniel Jr; Swenson, Michael; Nyg, Jonathan
Subject: Re: Basis

I can get on the phone this morning NY time to discuss (ie Wed works) w the client

I would like to know what the precedent there is here - does GS need (outside of the client issues) to provide the below info to justify our prices??

For example, on the TWLSF CDS, GS is willing to deal (bid and offer) in the context of our prices

On the equity securities, this is an illiquid mkt where there are not a lot of recent trade spots, but it is clear that 1) other parts of the CDO cap structure are materially wider 2) the underlying assets w/ the CDS are materially wider

If credit can speak to the above ASAP it would be appreciated

II

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001990137
Footnote Exhibits - Page 4548

----- Original Message ----- 
From: Viani, Matthew
To: Lam, Desiree; Malleson, George [ GSJEW ]; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Malloy, Nandita; Benkert, Clay; Freisano, Anthony; Tennman, Mauricio; Hennett, Julie
Cc: Lehman, David A.; Case, Benjamin; Carrett, Paul [ GSJEW ]; Harris, Kate [ GSJEW ]; Rolleston, Jeremy [ GSJEW ]; Malloy, Nandita
Subject: Re: Basis

Technically basis should have already satisfied the call by the time the NY folks get back into the office Thursday morning NY time. Would obviously still be happy to have a call / provide any additional color at that time.

----- Original Message ----- 
From: Lam, Desiree
To: Malleson, George [ GSJEW ]; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Malloy, Nandita; Benkert, Clay; Freisano, Anthony; Viani, Matthew; Tennman, Mauricio; Hennett, Julie
Cc: Lehman, David A.; Case, Benjamin; Carrett, Paul [ GSJEW ]; Harris, Kate [ GSJEW ];

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4549

Rolleston, Jeremy [GJGW]

Sent: Wed Jul 04 02:51:29 2007  
Subject: Re: Basis

It's NY holiday today, would we be able to reach the right person in NY in time? Thanks.

Desires

From:  Maltese, George [GJGW]
Sent: Wednesday, July 04, 2007 2:47 PM
To:  Desires; Ng, Chris; Mosel, Jean-Marc; Yamamoto, Yuki; Witt,
Natalie; Molloy, Mandara; Bankert, Olly; Passiano, Anthony; Visini, Matthew; Tohlim, Mauricio; Hamel, Julia
Cc:  Lehman, David A.; Case, Benjamin; Garrett, Paul [GJGW];
Harris, Kate [GJGW]; Rolleston, Jeremy [GJGW]
Subject:  basis

I just spoke with Peter Dobson at Basis (430pm ET time).
He is not concerned with the $1 of the margin call, but very concerned about the marks -
they are contesting these levels, is seeking clarity before agreeing to pay the margin.
They want to see:
- the comparable market data point for the Timberwolf marks
- more info for each of the ABS CDO marks like IRRs, CAR, CPR, reinvestment profile, WAL, cashflows, etc
- the market data point for those marks, & actual trade examples done at these levels
- any other colour specific to these deals which helps Basis understand the marks

I will be arranging a call b/wn Basis and the NY traders asap.

Rgds,
George
4612 9320 1431

Confidential Treatment Requested by Goldman Sachs
From: Lam, Desiree [mailto:desiree.lam@gs.com]
Sent: Wednesday, 4 July 2007 4:30 PM
To: Maltezos, George
CC: Ng, Chris - GS; Morel, Jean-Marc - GS; Yamamoto, Yumi - GS; Witt, Natalie - GS; Molloy, Manuela - GS
Subject: RE: Basis

HI George, please help confirm client's plan to meet the margin call. Thanks.

Copying Ops as well.

Desiree

From: Maltezos, George [mailto:GAEWM]
Sent: Wednesday, July 04, 2007 8:56 AM
To: Lam, Desiree
CC: Ng, Chris; Morel, Jean-Marc
Subject: RE: Basis

Good morning - basis has received the margin calls. I have not heard back. Will revert.

From: Lam, Desiree [mailto:desiree.lam@gs.com]
Sent: Wednesday, 4 July 2007 10:53 AM
To: Maltezos, George
CC: Ng, Chris - GS; Morel, Jean-Marc - GS
Subject: Basis

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001980140
Hi George, good morning.

Not sure if you have a chance to talk to the client this morning, are they ok to arrange funding today? Kindly keep us posted.

Many thanks,

Desiree Lam
Credit Risk Management & Advisory
Tel: 852.29781203 I Fax: 852.29780242
Email: desiree.lam@gs.com

Confidential Treatment Requested by Goldman Sachs
From: Lehman, David A.
Sent: Friday, July 13, 2007 10:12 AM
To: Montag, Tom
CC: Sparks, Daniel; Mullen, Donald
Subject: FW: Basis

Tom - As discussed

------Original Message------
From: Lehman, David A.
Sent: Friday, July 13, 2007 6:10 PM
To: Lehman, David A.; Riggs, Tom; Schick, Sharon; Egol, Jonathan; Kane, Nicola; Young, Greg; Teta, Frank; Markow, Andrew; Pynt, Benjamin; Maltese, George (GSRM); Oderkerk, Gerald; Jacobson, Glade; Huffman, Robin; Saunders, Tim; Bowden, Tricia; Messina, Michaela; Leit; Sparks, Daniel L.; Shepard, Shaun; Morel, Jean-Marc; Wang, Josh (UK Credit); Wyllie, Denise; Armstrong, Phil; Cagena, Francesco; Seth GROSSKINDLER; Hamwatt, Julie; Witt, Natalie; Mullen, Donald; Breman, Lester M
Cc: RayFigel, Alan; Broderick, Craig; Lepis, Brendan; Olsen, Matthew (Credit); Buckholz, Keith; Chen, Vincent; Delogh, Susan
Subject: RE: Basis

Update

George Maltese spoke with Basis late afternoon EDT time.

In short, the client is communicating that the PAC RMS fund is OK and the YLD ALPHA fund is in real trouble.

Basis indicated that GS was the first to send them default notices.

Basis is still not signing the 2-page netting agreement.

Basis has indicated that they will entertain a portfolio trade for all assets (CDs and Cash) in YLD ALPHA.

Basis has asked for "breathing space" w/r/t what they owe us, and claim other financing CPS are giving them some grace time.

I hope to get on with Basis in the next 12h.

Either way, let's circle up internally @ 8:00 EDT

Domestic: 1-888-446-9294
International: 1-719-894-8863
Passcode: 991234

------Original Message------
From: Lehman, David A.
Sent: Thursday, July 12, 2007 5:14 PM
To: Riggs, Tom; Schick, Sharon; Egol, Jonathan; Kane, Nicola; Young, Greg; Teta, Frank; Markow, Andrew; Pynt, Benjamin; Maltese, George (GSRM); Oderkerk, Gerald; Jacobson, Glade; Huffman, Robin; Saunders, Tim; Bowden, Tricia; Messina, Michaela; Leit; Sparks, Daniel L.; Shepard, Shaun; Morel, Jean-Marc; Wang, Josh (UK Credit); Wyllie, Denise; Armstrong, Phil; Cagena, Francesco; Seth GROSSKINDLER; Hamwatt, Julie; Witt, Natalie; Mullen, Donald; Breman, Lester M
Cc: RayFigel, Alan; Broderick, Craig; Lepis, Brendan; Olsen, Matthew (Credit); Buckholz, Keith; Chen, Vincent; Delogh, Susan
Subject: RE: Basis

OK - for the swaps, yesterday we were owed $1.3m USD, today we are calling for an add'l
Footnote Exhibits - Page 4553

6:10am, so 13.2%pm all-day in YLD ALPHA

Can GIS pls bifurcate for the client ASAP?

-----Original Message-----
From: Rigs, Tom
Sent: Thursday, July 12, 2007 5:42 PM
To: Lehman, David A.; Schlick, Sharon; Epol, Jonathan; Kane, Nicola; Young, Greg; Tota, Frank; Maslow, Andrew; Pysz, Benjamin; Maltese, George (GZFM); Oderkirk, Gerald; Jacobsen, Glade; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michelle; Leti; Sparks, Daniel L; Sheppard, Shaun; Morel, Jean-Marc; Wang, Josh (HK Credit); Wylde, Denise; Armstrong, Phil; Cafagna, Francesco; 'Beth GROSSHANDEL'
Cc: Rapfogel, Alain; Bodekerick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Buckholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

Then we will mess up the timing for delivery... we need to track the due dates for grace period, at least for the swaps.

-----Original Message-----
From: Lehman, David A.
Sent: Thursday, July 12, 2007 5:40 PM
To: Rigs, Tom; Schlick, Sharon; Epol, Jonathan; Kane, Nicola; Young, Greg; Tota, Frank; Maslow, Andrew; Pysz, Benjamin; Maltese, George (GZFM); Oderkirk, Gerald; Jacobsen, Glade; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michelle; Leti; Sparks, Daniel L; Sheppard, Shaun; Morel, Jean-Marc; Wang, Josh (HK Credit); Wylde, Denise; Armstrong, Phil; Cafagna, Francesco
Cc: Rapfogel, Alain; Bodekerick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Buckholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

No - to be clear, this is inclusive of what they owe us from y’day.

-----Original Message-----
From: Rigs, Tom
Sent: Thursday, July 12, 2007 5:39 PM
To: Lehman, David A.; Schlick, Sharon; Epol, Jonathan; Kane, Nicola; Young, Greg; Tota, Frank; Maslow, Andrew; Pysz, Benjamin; Maltese, George (GZFM); Oderkirk, Gerald; Jacobsen, Glade; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michelle; Leti; Sparks, Daniel L; Sheppard, Shaun; Morel, Jean-Marc; Wang, Josh (HK Credit); Wylde, Denise; Armstrong, Phil; Cafagna, Francesco
Cc: Rapfogel, Alain; Bodekerick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Buckholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

These are in addition to the missed calls yesterday, right?

-----Original Message-----
From: Lehman, David A.
Sent: Thursday, July 12, 2007 5:38 PM
To: Schlick, Sharon; Epol, Jonathan; Kane, Nicola; Young, Greg; Tota, Frank; Rigs, Tom; Maslow, Andrew; Pysz, Benjamin; Maltese, George (GZFM); Oderkirk, Gerald; Jacobsen, Glade; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michelle; Leti; Sparks, Daniel L; Sheppard, Shaun; Morel, Jean-Marc; Wang, Josh (HK Credit); Wylde, Denise; Armstrong, Phil; Cafagna, Francesco
Cc: Rapfogel, Alain; Bodekerick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Buckholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

Tonight we have sent the below margin calls to Basis

REPO - Basis unc Mm Opportunity $415,000
REPO - Basis Yield Alpha $2,930,000

Confidential Treatment Requested by Goldman Sachs.
CDX - Basis Yield Alpha $19,280,000

We'll get on the with account ARAP and circle back to the group with color

-----Original Message-----
From: Schick, Sharon
Sent: Thursday, July 12, 2007 4:02 PM
To: Epli, Jonathan; Kane, Nicole; Lehman, David A.; Young, Greg; Tota, Frank; Riggs, Tony; Waskow, Andrew; Fynn, Benjamin; Malter, George (GSW); Outshick, Gerald; Jacobson, Glade; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Massina, Michelle; Leti; Sparks, Daniel L; Sheppard, Shawn; Morel, Jean-Marc; Wang, Josh (KK Credit); Willis, Denise; Azmatong, Phil; Cafagna, Francesco
Cc: Rappogel, Alan; Broderick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Buckholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

please include Frankie Cafagna (my repo desk head) on all future Basis related emails.

-----Original Message-----
From: Epli, Jonathan
Sent: Thursday, July 12, 2007 3:55 PM
To: Kane, Nicole; Lehman, David A.; Young, Greg; Tota, Frank; Riggs, Tony; Waskow, Andrew; Fynn, Benjamin; Malter, George (GSW); Outshick, Gerald; Jacobson, Glade; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Massina, Michelle; Leti; Sparks, Daniel L; Sheppard, Shawn; Morel, Jean-Marc; Wang, Josh (KK Credit); Willis, Denise; Armstrong, Phil
Cc: Rappogel, Alan; Broderick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Schick, Sharon; Buckholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

Attached please find updated marks for COB 12 July 2007 (see column N highlighted in yellow).

Please apply these marks to generate the margin call for Sydney open.

Also, for purposes of the TWOLF CDX versus Yield Alpha, we have input the follow marks for COB 12th July 2007:

TWOLF 6A = 177.5bp in favor of GSI (ie, 65 price) TWOLF B = 220.0bp in favor of GSI (ie, 60 price)

Please call David Lehman or Jonathan Epli with questions.

-----Original Message-----
From: Kane, Nicole
Sent: Thursday, July 12, 2007 3:43 PM
To: Lehman, David A.; Young, Greg; Tota, Frank; Riggs, Tony; Waskow, Andrew; Fynn, Benjamin; Malter, George (GSW); Outshick, Gerald; Jacobson, Glade; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Massina, Michelle; Leti; Sparks, Daniel L; Sheppard, Shawn; Morel, Jean-Marc; Wang, Josh (KK Credit); Willis, Denise; Armstrong, Phil
Cc: Rappogel, Alan; Broderick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Schick, Sharon; Buckholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

As per our call the collateral numbers based upon COB Wed 11th July are:

REPO

Basis Fee Rm Opportunity

Loan Amount $23,132,400
Offset by securities plus cash held (pre-haircut) $27,255,400 (this includes the $4.13 received today)

3

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4555

Call issued to client (CAD 10th) $4,130,000 - FUNDS RECEIVED

Basis Yield Alpha

Loan Amount $22,356,689
Offset by securities plus cash held (pre-haircut) $25,740,000
Call issued to client (CAD 10th) $4,280,000

OTC

Basis Yield Alpha

Total exposure $29,169,482
Collateral Held $15,471,150
Call issued to client (CAD 10th) $5,100,000

We will send revised numbers based on today's marks.

Nicola

-----Original Message-----
From: Lehman, David A.
Sent: Thursday, July 12, 2007 7:20 PM
To: Kane, Nicola; Young, Greg; Tota, Frank; Riggs, Tom; Maskow, Andrew; Pnyt, Benjamin;
Maltezos, George (GSA WM); Oderkirk, Gerald; Jacobson, Glade; Egl; Jonathan; Huffman;
Robyn; Saunders, Tim; Bowden, Tricia; Massina, Michelle; Leti; Spake, Daniel; Li Sheppard;
Shaun; Morel, Jean-Marc; Wang; Josh (HK Credit); Myll, Denise; Armstrong, Phil
Cc: Ruspog, Alan; Broderick, Craig; Legle, Brandon; Olson, Matthew (Credit); Schick, Sharon; Weithais, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

The client has been unresponsive for the past 60 minutes

As of now Basis has not committed to make the repo or CAD margin call in Yd Alphas

In addition, we have not traded the CLO equity or executed the netting agreement

Let's get on the phone 8:30 to discuss next steps and thoughts

Domestic: 1-888-646-9294
International: 1-719-564-8863
Passcode: #91254

-----Original Message-----
From: Kane, Nicola
Sent: Thursday, July 12, 2007 2:15 PM
To: Young, Greg; Tota, Frank; Riggs, Tom; Lehman, David A.; Maskow, Andrew; Pnyt, Benjamin; Lehman, David A.; Maltezos, George (GSA WM); Oderkirk, Gerald; Jacobson, Glade; Egl; Jonathan; Huffman; Robyn; Saunders, Tim; Bowden, Tricia; Massina, Michelle; Leti; Spake, Daniel; Li Sheppard; Shaun; Morel, Jean-Marc; Wang; Josh (HK Credit); Myll, Denise; Armstrong, Phil
Cc: Ruspog, Alan; Broderick, Craig; Legle, Brandon; Olson, Matthew (Credit); Schick, Sharon; Weithais, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

ceing Denise and Phil

-----Original Message-----
From: Young, Greg
Sent: Thursday, July 12, 2007 7:05 PM
To: Tota, Frank; Kane, Nicola; Riggs, Tom; Lehman, David A.; Maskow, Andrew; Pnyt, Benjamin; Lehman, David A.; Maltezos, George (GSA WM); Oderkirk, Gerald; Jacobson,

Confidential Treatment Requested by Goldman Sachs
We have the ability to initiate a recall of the funds through Basis, but it would be accomplished with the consent of Basis allowing us to take back the funds, which is standard practice. I had a quick conversation with Basis and we thought it would be wise to present this option to the distribution to determine if we want to take this course of action.

Mary th

Frank Tota
Footnote Exhibits - Page 4557

Tom,

I do not know any of the details behind this - I’ve asked for them.

----- Original Message ----- 
From: Riggs, Tom  
Sent: Thursday, July 12, 2007 12:02 PM  
To: Young, Greg; Lehman, David A.; Waskow, Andrew; Pnyt; Benjam; Lehman, David A.; Malletta, George; Oderkirk, Gerald; Jacoben, Gladis; Young, Greg; Egl, Jonathan; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michaela Leti; Sparks, Daniel; Shepherd, Shaw; Kane, Nicola; Morel, Jean-Marc; Wang, Josh (HR Credit)  
Cc: Rapfogel, Alan; Broderick, Craig; Legis, Brendan; Olson, Matthew (Credit); Schick, Sharon; Buckholz, Keith; Chen, Vincent  
Subject: FW: Basis

I thought that couldn't happen.

----- Original Message ----- 
From: Young, Greg  
Sent: Thursday, July 12, 2007 12:45 PM  
To: Lehman, David A.; Waskow, Andrew; Pnyt; Benjam; Lehman, David A.; Malletta, George; Oderkirk, Gerald; Jacoben, Gladis; Young, Greg; Egl, Jonathan; Huffman, Robyn; Saunders, Tim; Riggs, Tom; Bowden, Tricia; Messina, Michaela Leti; Sparks, Daniel; Shepherd, Shaw; Kane, Nicola; Morel, Jean-Marc; Wang, Josh (HR Credit)  
Cc: Rapfogel, Alan; Broderick, Craig; Legis, Brendan; Olson, Matthew (Credit); Schick, Sharon; Buckholz, Keith; Chen, Vincent  
Subject: FW: Basis

I've just been informed that this payment was inadvertently released without approval.

----- Original Message ----- 
From: Young, Greg  
Sent: Thursday, July 12, 2007 12:15 PM  
To: Lehman, David A.; Waskow, Andrew; Pnyt; Benjam; Lehman, David A.; Malletta, George; Oderkirk, Gerald; Jacoben, Gladis; Young, Greg; Egl, Jonathan; Huffman, Robyn; Saunders, Tim; Riggs, Tom; Bowden, Tricia; Messina, Michaela Leti; Sparks, Daniel; Shepherd, Shaw; Kane, Nicola; Morel, Jean-Marc; Wang, Josh (HR Credit)  
Cc: Rapfogel, Alan; Broderick, Craig; Legis, Brendan; Olson, Matthew (Credit); Schick, Sharon; Buckholz, Keith; Chen, Vincent  
Subject: FW: Basis

Per the attached, GS has a reverse repo trade with Basis Yield Alpha on GNM Brokers. This repo was opened over a recent date of a coupon payment. Consequently GNM received the coupon that, under the repo terms is due back to Basis. Upon a claim from Merrill Lynch (from their trading for Basis) Asset Services submitted this 8327K payment. This payment has now hit the high risk payments system for release.

Subject to comments from the group, we are not releasing these funds. If there are factors we should consider with respect to releasing payment, please let us know.

Thanks

Greg

----- Original Message ----- 
From: Legis, Brendan  
Sent: Thursday, July 12, 2007 11:08 AM  
To: Olson, Matthew (Credit); Young, Greg; Schick, Sharon  
Cc: Buckholz, Keith; Chen, Vincent  
Subject: FW: Basis

Thanks for forwarding this email.
Footnote Exhibits - Page 4558

I want to bring everyone involved, ie Greg, the repo team and high risk team, up to speed that there is a $317,292 high risk payment pending. The attached email gives background on this payment.

Based on the email below we are obviously not releasing this money until we receive guidance from Greg.

Let me know if there are any questions.

Please forward to others as necessary.

Thanks very much.

-----Original Message-----
From: Olsen, Matthew [Credit]
Sent: Thursday, July 12, 2007 10:55 AM
To: Lepis, Leonard
Subject: FW: Basis
FYI

-----Original Message-----
From: Schick, Sharon
Sent: Thursday, July 12, 2007 10:51 AM
To: Olsen, Matthew [Credit]
Subject: FW: Basis
FYI

-----Original Message-----
From: Lehman, David A.
Sent: Thursday, July 12, 2007 3:04 AM
To: Huffman, Robyn; Sparks, Daniel L; Sheppard, Shaun; Messina, Michaela Leti; Tarsman, Mauricio; Harmiotis, Jules; Keen, Nicola; Molloy, Mandarsa; Lam, Desiree; Maltese, George (G3DEM); Lin, Sonja; Bennett, Gill; Vieni, Matthew K.; Chris; Nocito, Jean-Herve; Yamamoto, Yuki; Witt, Bethke; Freije, Anthony; Dury, Jonathan; Ropp; Alan; Armstrong, Phil; Young, Greg Wm; June C.; Ouderkirk, Gerald; Subel, Jonathan; Mullen, Donald; Friedman, Lester A.
Cc: Case, Benjamin; Karalis, Kate (G3EM); Rolleston, Jeremy (G3EM); Swenson, Michael; Epol, Jonathan; Wang, Josh (EX Credit); Chan, Joanna; Bousch, Andrew; Ireland, Alan; Anderson, James; Rytz, Benjamin; Vitek, Robin; Nigga; Tom; Garrett, Paul; Yaskov, Andrew; Tribolati, John; Lamb, Rob; Swram, Brian; Cafagna, Francesco
Subject: RE: Basis

We have had several calls with basis today

George Ouderkirk provided the client with bid levels on 125MM face of CLO equity to free up capital to be applied against their margin call

Basis informed us that despite the net monies freed by the proposed CLO sale (~$317,292), they are unable or unwilling to provide add'l cash or collateral to meet our margin call

Our bids for the CLO equity are contingent upon basis signing a netting agreement which CSBS and GS Legal drafted

Our bids are also subject to material nth moves as well as basis executing by New York open

At this time the client is reviewing the netting agreement

After discussing with GS Legal, we have informed the client that a formal notice will be sent to them by GS Legal by 800 Thursday Sydney time w/ t their deficiency on meeting margin to preserve Goldman's rights and remedies

-----Original Message-----
From: Huffman, Robyn

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-00166397
Footnote Exhibits - Page 4559

Sent: Wednesday, July 11, 2007 8:23 PM
To: Sparks, Daniel L; Sheppard, Shaun; Massina, Michaela Leti; Tamman, Maurice; Hamatt, Julian; Renz, Nicholas; Molloy, Macdonald, Lam, Deslisle; Maltezos, George; GSWM; Lim, Sonia; Benkert, Olivia; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Freisano, Anthony; Bury, Jonathan; Rapfogel, Alan; Armstrong, Phil; Young, Greg; Wong, June C; Ouderkirk, Gerald
Cc: Case, Benjamin; Harries, Kate (GSWM); Rollleston, Jeremy (GSWM); Swanson, Michael; Boul, Jonathan; Wang, Josh (KK Credit); Chen, Joanna; Dausch, Andrew; Ireland, Alan; Andersson, James; Pynt, Benjamin; Vince, Robin; Riggs, Tom; Carrett, Paul; Waskow, Andrew; Tribolati, John; Lamb, Rob; Swan, Brian
Subject: RE: Basis

Not without consent of Basis, which is being drafted right now by IEM legal and Classey. Jerry's bid will be subject to their agreeing to that.

-----Original Message-----
From: Sparks, Daniel L
Sent: Wednesday, July 11, 2007 8:20 PM
To: Sheppard, Shaun; Massina, Michaela Leti; Tamman, Maurice; Hamatt, Julian; Renz, Nicholas; Molloy, Macdonald, Lam, Deslisle; Maltezos, George; GSWM; Lim, Sonia; Benkert, Olivia; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Freisano, Anthony; Bury, Jonathan; Rapfogel, Alan; Armstrong, Philip; Young, Greg; Wong, June C; Ouderkirk, Gerald
Cc: Case, Benjamin; Harries, Kate (GSWM); Rollleston, Jeremy (GSWM); Swanson, Michael; Boul, Jonathan; Wang, Josh (KK Credit); Chen, Joanna; Dausch, Andrew; Ireland, Alan; Andersson, James; Pynt, Benjamin; Vince, Robin; Riggs, Tom; Carrett, Paul; Waskow, Andrew; Tribolati, John; Lamb, Rob; Swan, Brian
Subject: RE: Basis

It they default, can we apply any excess from repo to swaps?

-----Original Message-----
From: Sheppard, Shaun
Sent: Wednesday, July 11, 2007 4:54 PM
To: Sparks, Daniel L; Massina, Michaela Leti; Tamman, Maurice; Hamatt, Julian; Renz, Nicholas; Molloy, Macdonald, Lam, Deslisle; Maltezos, George; GSWM; Lim, Sonia; Benkert, Olivia; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Freisano, Anthony; Bury, Jonathan; Rapfogel, Alan; Armstrong, Philip; Young, Greg; Wong, June C; Ouderkirk, Gerald
Cc: Case, Benjamin; Harries, Kate (GSWM); Rollleston, Jeremy (GSWM); Swanson, Michael; Boul, Jonathan; Wang, Josh (KK Credit); Chen, Joanna; Dausch, Andrew; Ireland, Alan; Andersson, James; Pynt, Benjamin; Vince, Robin; Riggs, Tom; Carrett, Paul; Waskow, Andrew; Tribolati, John; Lamb, Rob; Swan, Brian
Subject: RE: Basis

Update following conf call trading/legal/Idem/HY/Ops (credit unable to join - have left an update w for Greg):

- Estimated clean funds available to meet call requirements approx USD15.5mm if Basis accepts GS side
- Estimated surplus after meeting repo margin requirement USD5mm approx
- Documentation does not allow us to automatically use this to cover swaps collateral requirement.
- Client agreement/authorisation would be required.
- Agree to make client's agreement to this a condition of trade - Idem legal (Michaela) to draft suitable authorisation for David to send on.
- Ops will need to hand hold all events to make sure no external settlement made and funds applied to calls. Brian has reached out to give settlement groups a heads up.
- David to George on situation
- George to update this group on outcome of communication with Basis and how they plan to meet the calls either by accepting GS side, or delivery of cash value tomorrow.

Shaun

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001866398
Footnote Exhibits - Page 4560

--------Original Message--------
From: Sheppard, Shawn
Sent: Wednesday, July 11, 2007 7:12 PM
To: Massina, Michaela Leti; Tamara, Maurice; Kamett, Julie; Kane, Nicole; Molloy, Michael; Desiere, Lisa; Macdermott, George (GSJW); Sparks, Daniel L; Lim, Sonja; Bentert, Olly; Lehman, David A; Viany, Matthew; Ng, Cindy; Morel, Jean-Marc; Tanimoto, Yumi; Witt, Natalie; Fresiano, Anthony; Bury, Jonathan; Rapfogel, Alan; Armstrong, Phil; Young, Greg; Wong, June C.; Oudekirk, Gerald
Cc: Case, Benjamin; Harris, Kate (GSJW); Rolleston, Jeremy (GSJW); Swenson, Michael; Engel, Jonathan; Wang, Josh (KK Credit); Chen, Joanna; Deusch, Andrew; Ireland, Alan; Anderson, James; Pynt, Benjamin; Vince, Robin; Higgins, Tom; Carrett, Paul; Huffman, Robyn; Wastow, Andrew; Tribolati, John; Lamb, Rob; Swann, Brian
Subject: RE: Basis

Have just spoken to David Lehman and we have just left a v-m with Tom Higgins:

Update:
Gerry Oudekirk and David Lehman are to meet with Dan Sparks and Don Mullen to agree bid pricing this in the next 90 minutes or so. David will revert to this group with an update following this. We should get an idea of the clean funds which might be available to Basis if they accept our bids. Clearly preference would be for Basis to meet calls with free cash.

David and I will circle back with legal/credit/ops to establish next steps re setting margin requirements vs proceeds to make sure we don't inadvertently release funds/securities to the client.

David has a LpaNY/Am Sydney call with George to update and agree approach with client.

Shawn

--------Original Message--------
From: Massina, Michaela Leti
Sent: Wednesday, July 11, 2007 6:38 PM
To: Tamara, Maurice; Kamett, Julie; Kane, Nicole; Molloy, Michael; Desiere, Lisa; Macdermott, George (GSJW); Sparks, Daniel L; Lim, Sonja; Bentert, Olly; Lehman, David A; Viany, Matthew; Ng, Cindy; Morel, Jean-Marc; Tanimoto, Yumi; Witt, Natalie; Fresiano, Anthony; Bury, Jonathan; Rapfogel, Alan; Armstrong, Phil; Young, Greg; Wong, June C.; Sheppard, Shawn
Cc: Case, Benjamin; Harris, Kate (GSJW); Rolleston, Jeremy (GSJW); Swenson, Michael; Engel, Jonathan; Wang, Josh (KK Credit); Chen, Joanna; Deusch, Andrew; Ireland, Alan; Anderson, James; Pynt, Benjamin; Vince, Robin; Higgins, Tom; Carrett, Paul; Huffman, Robyn; Wastow, Andrew; Tribolati, John
Subject: RE: Basis

Copying Robyn, Andy and John in NY and London Legal.

Goldman Sachs International
Peterborough Court | 133 Fleet Street | London EC4A 2BB Tel + 44 (0) 20 7592 2303 | Fax + 44 (0) 20 7774 1988 E-mail MichaelaLetti.Messina@gs.com

Michaela Leti Messina
Executive Director and Counsel Legal Department

This message may contain information that is confidential or privileged. If you are not the intended recipient, please advise the sender immediately and delete this message. See http://www.gs.com/disclaimer/email for further information on confidentiality and the risks inherent in electronic communication.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001866399
--- Original Message ---
From: Tamman, Maurice
Sent: Wednesday, July 11, 2007 1:06 PM
To: Tamman, Maurice; Rammatt, Julie; Kane, Nicola; Molloy, Mandala; Lam, Desiree;
Malteros, George (GSJM); Sparks, Daniel L; Lim, Sonja; Benkert, Oily; Lehman, David A.;
Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Tami; Witt, Natalie; Krejzana,
Anthony; Bury, Jonathan; Rapfogel, Alan; Armstrong, Phil; Young, Greg; Wong, June C.;
Sheppard, Shaun
Cc: Casey, Benjamin; Harris, Kate (GSJM); Rolleston, Jeremy (GSJM); Svensson, Michael;
Egpl, Jonathan; Wang, Josh (CE Credit); Chan, Joanna; Daesch, Andrew; Ireland, Alan;
Anderson, James; Messina, Michaela Leti; Pynt, Benjamin; Vince, Robin; Riggs, Tom
Subject: RE: Basis

Conversation this morning between George Malteros, Jean-Marc Morel, Desiree Lam, Shaun
Sheppard and I to confirm and agree expectations and timeline/actions around Basis meeting
the three calls we issued last night London time:
- Gerald Guderlev’s desk to provide bid pricing on CDS to Basis for Australia start of
business - David George please can you confirm to Gerald the positions to be priced if
not already done so?
- George to speak to Basis tomorrow, Sydney AM, to agree how client will honour the
margin call.
- Basis to agree calls by 12 Jul CDS Sydney time/30B London time
- Funds due to meet all calls by CDS 12 Jul

Thanks,
Maurice

This message may contain information that is confidential or privileged. If you are not
the intended recipient, please advise the sender immediately and delete this message. See
http://www.gs.com/disclaimer/email for further information on confidentiality and the
risks inherent in electronic communication.

--- Original Message ---
From: Tamman, Maurice
Sent: Tuesday, July 10, 2007 9:32 PM
To: Rammatt, Julie; Kane, Nicola; Molloy, Mandala; Lam, Desiree; Malteros, George (GSJM);
Sparks, Daniel L; Lim, Sonja; Benkert, Oily; Lehman, David A.; Viani, Matthew; Ng, Chris;
Morel, Jean-Marc; Yamamoto, Tami; Witt, Natalie; Krejzana, Anthony; Bury, Jonathan;
Rapfogel, Alan; Armstrong, Phil; Young, Greg; Wong, June C.; Sheppard, Shaun
Cc: Casey, Benjamin; Harris, Kate (GSJM); Rolleston, Jeremy (GSJM); Svensson, Michael;
Egpl, Jonathan; Wang, Josh (CE Credit); Chan, Joanna; Daesch, Andrew; Ireland, Alan; Anderson,
James; Messina, Michaela Leti; Pynt, Benjamin; Vince, Robin; Riggs, Tom
Subject: RE: Basis

All,

These margin calls have been issued late in the London day on instruction from David
Lehman, with the intention of ensuring the client has time to review and respond to the
margin call by CoB Australia TV1.

Thanks,
Maurice

--- Original Message ---
From: Rammatt, Julie
To: Kane, Nicola; Molloy, Mandala; Lam, Desiree; Malteros, George (GSJM); Sparks,
Daniel L; Lim, Sonja; Benkert, Oily; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel,
Footnote Exhibits - Page 4562

Jean-Marc Yamasato, Yunji Witt, Natalie Freihofer, Anthony Teaman, Maurizio Bury, Jonathan Rapfogel, Alan Armstrong, Phil Young, Greg Wong, June C., Shepard, Shaun Cc: Case, Benjamin Carrett, Paul {GSKW }; Harris, Kate {GSKW }; Rolleton, Jeremy {GSKW }; Swenson, Michael; Egol, Jonathan; Wang, Josh {EX Credit}; Chan, Joanne; Deusch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela Leit; Pyn, Benjamin; Vince, Robin; Riggs, Tom
Subject: RE: Basis
Hi,

Using the marks received by the desk, we see the following calls on BASIS.

These calls have been issued this evening London time for BASIS to receive first thing tomorrow morning.

REPO

Basis Proc Rim Opportunity $6,135,000

Basis Yield Alpha $4,270,000

DTC

Basis Yield Alpha $5,100,000

We will await the client's response and will keep you updated tomorrow.

Regards

Julie

-----Original Message-----
From: Kate, Nicola
Sent: Thursday, July 05, 2007 11:27 AM
To: Holley, Mardera; Law, Desires; Malletto, George {GSKW }; Sparks, Daniel L; Lim, Sonia; Bennett, Gill; Lebenn, David A.; Viani, Matthew; Yg, Chris; Misci, Jean-Marc; Yamasato, Yunji; Witt, Natalie; Freihofer, Anthony; Teaman, Maurizio; Hemmatt, Julie; Bury, Jonathan; Rapfogel, Alan; Armstrong, Philip; Young, Greg; Wong, June C.; Shepard, Shaun Cc: Case, Benjamin; Carrett, Paul {GSKW }; Harris, Kate {GSKW }; Rolleton, Jeremy {GSKW }; Swenson, Michael; Egol, Jonathan; Wang, Josh {EX Credit}; Chan, Joanne; Deusch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela Leit; Pyn, Benjamin; Vince, Robin; Riggs, Tom

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4563

Andrew: Ireland, Alan; Anderson, James; Messina, Michaela Leti; Pynt, Benjamin; Vince, Robin; Riggs, Tom
Subject: RE: Basis

Adding Tom Riggs and Robin Vince into the chain for completeness

Nicola

-----Original Message-----

From: Molloy, Mardala
Sent: Thursday, July 05, 2007 8:43 PM
To: Lam, Desiree; Maltzros, George (GSJMW); Sparks, Daniel L; Lim, Sonia; Bengert, Olly; Lehnen, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yuki; Witt, Natalie; Freisano, Anthony; Tanman, Maurice; Hamatt, Julie; Bury, Jonathan; Rapoport, Alan; Armstrong, Phil; Young, Greg; Wang, June C.; Kame, Nicola; Sheppard, Shaun
Cc: Case, Benjamin; Barrett, Paul (GSJMW); Harris, Kate (GSJMW); Rolleston, Jeremy (GSJMW); Svensson, Michael; Epol, Jonathan; Wang, Josh (EX Credit); Chen, Joanna; Daesch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela Leti; Pynt, Benjamin

Subject: RE: Basis

Yes Desiree I think another call is necessary to take them through the marks, they will have left the office in Sydney by the time New York get in.

Regards,

Mardala

-----Original Message-----

From: Lam, Desiree
Sent: Thursday, July 05, 2007 10:38 AM
To: Molloy, Mardala; Maltzros, George (GSJMW); Sparks, Daniel L; Lim, Sonia; Bengert, Olly; Lehnen, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yuki; Witt, Natalie; Freisano, Anthony; Tanman, Maurice; Hamatt, Julie; Bury, Jonathan; Rapoport, Alan; Armstrong, Phil; Young, Greg; Wang, June C.; Kame, Nicola; Sheppard, Shaun
Cc: Case, Benjamin; Barrett, Paul (GSJMW); Harris, Kate (GSJMW); Rolleston, Jeremy (GSJMW); Svensson, Michael; Epol, Jonathan; Wang, Josh (EX Credit); Chen, Joanna; Daesch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela Leti; Pynt, Benjamin

Subject: RE: Basis

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4584

Thanks Nedara. Does it mean that they'd need to see the full break down of the marks and talk to David again (earliest MT time tonight) before they'd decide whether they agree on the marks? And there'll be at least 1 day delay for their margin?

Regards,

Desiree

-----Original Message-----

From: Holley, Nedara

Sent: Thursday, July 05, 2007 4:32 PM

To: Maltezon, George (GSMW); Lam, DesiDee; Sparks, Daniel Lo Lim; Sonja; Benbrett, Olly; Lehman, David A.; Vladi, Matthew; Ng, Chris; Norel, Jean-Marc; Yamamoto, Tami; Witt, Natalie; Freiman, Anthony; Yamada, Naoko; Hammatt, Julie; Hony, Jonathan; Raffoqui, Alain; Armstrong, Phil; Vong, Grey; Yu, Jun C.; Kam, Nicola; Sheppard, Sheun

Cc: Case, Benjamin; Barrett, Paul (GSMW); Harris, Kate (GSMW); Rolleston, Jeremy (GSMW); Swenson, Michael; Ko, Jonathan; Wang, Josh (KK Credit); Chah, Joanna; Douch, Andrew; Ireland, Alan; Anderson, James; Messina, Michael; Lecl, Pyet; Benjamin

Subject: RE: Basis

Despite giving the impression that they agreed the CDO marks as discussed on the call with the Trading desk, basis have now stated that they want further clarification on these marks before they are happy to meet the two Repo calls.

David - they are looking for a line by line breakdown of the changes for each mark.

The OTC has been agreed in full with a payment of $3.90mm paid for value today, we are checking with Treasury to see when these funds hit our account.

Regards,

Nedara

-----Original Message-----

From: Maltezon, George (GSMW)

Sent: Thursday, July 05, 2007 8:17 AM

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4865

TO: Lam, Desiree; Spacks, Daniel L; Lin, Sonja; Benkert, Olly; Lehman, David A; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Molloy, Macara; Freihofer, Anthony; Yoon, Maurice; Harnett, Julie; Bury, Jonathan; Rapoport, Alan; Armstrong, Phil; Young, Greg

CC: Case, Benjamin; Carrett, Paul (G2JNN); Harris, Kate (G2JNN); Hollleston, Jeremy (G2JNN); Swenson, Michael; Epol, Jonathan; Wang, Josh (UK Credit); Chan, Joanna; Deusch, Andrew; Ireland, Alan; Anderson, James; Mesina, Michaela Leti; Fynt, Benjamin

SUBJECT: RE: Basis

UPDATE:

There was a constructive call between basis and trading (Lehman, Case, Epol) re marks at 8PM EST Wednesday.

Natalie Witt and I just spoke to John Murphy at basis. It seems the marks have been accepted and we are awaiting confirmation of basis’s plans to meet the margin call.

Will revert ASAP.

George Maltzros
Structured Asset Solutions
Tel: 612 9320 1431
Mob: 61

----- Original Message ----- 
From: Lam, Desiree <desirée.lam@gs.com>
To: Spacks, Daniel L - GS; Lin, Sonja - GS; Benkert, Oliver B - GS; Maltzros, George; Lehman, David A - GS; Viani, Matthew L - GS; Ng, Chris - GS; Morel, Jean-Marc - GS; Yamamoto, Yumi - GS; Witt, Natalie - GS; Molloy, Macara - GS; Freihofer, Anthony F - GS; Yoon, Maurice - GS; Harnett, Julie - GS; Bury, Jonathan F - GS; Rapoport, Alan M - GS; Armstrong, Phil S - GS; Young, Gregory - GS
Cc: Case, Benjamin C - GS; Carrett, Paul; Harris, Kate; Hollleston, Jeremy; Swenson, Michael J - GS; Epol, Jonathan H - GS; Wang, Josh - GS; Chan, Joanna - GS; Deusch, Andrew W - GS; Ireland, Alan - GS; Anderson, James A - GS; Mesina, Michaela Leti - GS; Fynt, Benjamin - GS


SUBJECT: RE: Basis

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001866404
-----Original Message-----
From: Sparks, Daniel L
Sent: Wednesday, July 04, 2007 8:31 PM
To: Lim, Sonia; Bentec, Oily; Maltezos, George (GSJEW); Lam, Desiree; Lehman, David A.; Viavle, Matthew; Nq, Chiah; Morel, Jean-Marc; Yamanoto, Tun; Witt, Natalie; Malloy, Madeleine; Freianni, Anthony; Tennan, Maurice; Hammatt, Julie; Bury, Jonathan; Rafferty, Alan; Armstrong, Phil
CC: Case, Benjamin; Carrett, Paul (GSJEW); Harris, Kate (GSJEW); Rollleston, Jeremy (GSJEW); Swanson, Michael; Egi, Jonathan; Wang, Josh (Ex Credit); Chan, Joanna; Deusch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela Leli; Pylt, Benjamin
Subject: RE: Basis

Please keep me posted and involved if decisions get difficult

-----Original Message-----
From: Lim, Sonia
Sent: Wednesday, July 04, 2007 6:27 AM
To: Bentec, Oily; Maltezos, George (GSJEW); Lam, Desiree; Lehman, David A.; Viavle, Matthew; Nq, Chiah; Morel, Jean-Marc; Yamanoto, Tun; Witt, Natalie; Malloy, Madeleine; Freianni, Anthony; Tennan, Maurice; Hammatt, Julie; Bury, Jonathan
CC: Case, Benjamin; Carrett, Paul (GSJEW); Harris, Kate (GSJEW); Rollleston, Jeremy (GSJEW); Swanson, Michael; Egi, Jonathan; Wang, Josh (Ex Credit); Chan, Joanna; Deusch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela Leli; Pylt, Benjamin
Subject: RE: Basis

Desire, thanks for the heads up on this. As discussed, please can you arrange for the documents for the outstanding transactions to be forwarded to us? Please can you also keep Ben Pylt copied on this as he will assist with any input which is required from legal?

Thanks, Sonia

-----Original Message-----
From: Bentec, Oily

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001865405
Footnote Exhibits - Page 4567

Sent: Wednesday, July 04, 2007 6:18 PM

To: Maltese, George (GSJMW); Lam, Desiree; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalia; Molloy, Nacara; Freisano, Anthony; Tanman, Maurice; Hammatt, Julie; Bury, Jonathan

CC: Case, Benjamin; Carrett, Paul (GSJMW); Harris, Kate (GSJMW); Rolleston, Jeremy (GSJMW); Sparks, Daniel; Svenson, Michael; Epql, Jonathan; Wang, Josh (HS Credit); Lim, Donia; Chan, Joanna; Dausch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela; Lei, etc.

Subject: RE: Basis

I am following up with ops on the corporate actions to confirm if we can agree as soon as possible what the amounts are we owe them. I understand from ops (copied on this) that there is some clarification required from Basis.

To their question about setting the corporate action payments with the repo margin calls we are in no way obliged to do that. If they don’t meet our margin calls by close tomorrow we will be within our rights to close them out under the facility agreement and use.

That said, we should discuss the approach especially given the (fairly?) recent from Basis with a view to agreeing the marks on the repos as soon as possible and we may take the decision to agree to not the 2 amounts but we would need resolution on the corporate actions before close tomorrow to do so and that may not be practical.

First up I think is to agree the marks then we can work out how we want to move on the margin vs the corporate action.

------Original Message------

Sent: Wednesday, July 04, 2007 10:18 AM

To: Lam, Desiree; Lehman, David A.; Viani, Matthew; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalia; Molloy, Nacara; Benkett, Olly; Freisano, Anthony; Tanman, Maurice; Hammatt, Julie

CC: Case, Benjamin; Carrett, Paul (GSJMW); Harris, Kate (GSJMW); Rolleston, Jeremy (GSJMW); Sparks, Daniel; Svenson, Michael; Epql, Jonathan; Wang, Josh (HS Credit); Lim, Donia; Chan, Joanna; Dausch, Andrew; Ireland, Alan; Anderson, James; Messina, Michaela; Lei, etc.

Subject: RE: Basis

Maurice and I just finished the call with Peter Dubson (Basis).

1 - Basis have plenty of cash to make the full margin call, but the approach by Goldman has been viewed to be very aggressive and unwarranted it is hurting the relationship.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001866406
Footnote Exhibits - Page 4568

2 - Basis will arrange for v/d 1 July the Timberwolf margin (USD5.40mm) sub to them receiving a note confirming the CTC swap would pay them any MTM improvement.

3 - Basis is not prepared to pay the margin call on the Repos (USD1.72mm) + USD4.43mm; until the discussion re: saws has been made. David -

4 - Basis cannot see any justification for the massive mark down in the securities (under the Repo), and are interpreting our reveals as a way to reduce the repo financing line.

5 - They are disappointed Goldman have not paid to Basis the equity distributions under the REPO/WMAX. We potentially own Basis approx USD40m here. Can this be netted against the margin call? Oily - can you double check this pls?

6 - Basis claim Goldman have not cared to check in with Basis (from a credit perspective) to see how they are doing and instead are acting like the world is falling over with irrational behaviour.

George
+612 9320 1431

-----Original Message-----

From: Law, Desiree ([mailto:desiree.1andgs.com])

Sent: Wednesday, 4 July 2007 6:35 PM

To: Lehman, David A - GS; Vieni, Matthew L - GS; Maltezos, George; Ng, Chris - GS; Morel, Jean-Marc - GS; Yamamoto, Yumi - GS; Witt, Natalie - GS; Mulloy, Madeira - GS; Demert, Oliver S - GS; Preisano, Anthony P - GS; Tenman, Maurice - GS; Haslett, Julie - GS

Cc: Casey, Benjamin C - GS; Gassert, Paul; Harris, Kate; Rolleston, Jeremy; Sparks, Dan L - GS; Swennen, Michael P - GS; Egel, Jonathan M - GS; Wang, Josh - GS; Lim, Janis - GS; Chan, Joanna - GS

Subject: RE: Basis

Importance: High

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4569

Even client disagrees on the marks, they are obligated to meet the call amount as provided by the calculator, 02. But they have the right to go through the prices with us. If they don't meet the call today, they are in danger of defaulting margin payment. George is trying to explain to client that if they have cash available, they are encouraged to first meet the call and continue the marks discussion throughout the next 2 days.

Copying Sonia Lim from Legal to confirm the legal proceedings, as we may potentially need to issue demand note tomorrow.

George, Maurice, how was the discussion with client? If necessary, we'd need to trouble David to be on call with client to understand what exactly they want to clarify in terms of the marks.

Desiree

----Original Message----

From: Lehman, David A.
Sent: Wednesday, July 04, 2007 4:22 PM
To: Viani, Matthew; Law, Desiree; Malterosa, George; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Molloy, Mandara; Benkert, Olly; Preisano, Anthony; Tamman, Maurice; Harrett, Julie
Cc: Case, Benjamin; Garrett, Paul; Harris, Kate; Hollestan, Jeremy; Sparks, Daniel L; Swenson, Michael; Kpol, Jonathan
Subject: Re: Basis

I can get on the phone this morning NY time to discuss (ie Wed works) w the client

I would like to know what the precedent there is here - does GS need (outside of the client issues) to provide the below info to justify our prices??

For example, on the TWOLF CDS, GS is willing to deal (bid and offer) in the context of our prices

On the equity securities, this is an illiquid asset where there are not a lot of recent trade spots, but it is clear that 3) other parts of the CDO cap structure are materially wider
2) the underlying assets w/i the CDS are materially wider

18

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0016864C8
Footnote Exhibits - Page 4570

If credit can speak to the above ASAP it would be appreciated

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1651 | Mob: 917-

----- Original Message ----- 
From: Viani, Matthew 
To: Lam, Desiree; Maltezos, George [GSJW]; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Molloy, Mandara; Bentzen, Olly; Freisano, Anthony; Taiman, Maurice; Hammatt, Julie
Cc: Lehman, David A.; Case, Benjamin; Carrett, Paul [OFJEM]; Harris, Kate [OFJEM]; Holleston, Jeremy [OFJEM]; Molloy, Mandara 
Sent: Wed Jul 04 03:32:44 2007
Subject: Re: Basis

Technically basis should have already satisfied the call by the time the NY folks get back into the office Thursday morning NY time. Would obviously still be happy to have a call / provide any additional color at that time.

----- Original Message ----- 
From: Lam, Desiree
To: Maltezos, George [GSJW]; Ng, Chris; Morel, Jean-Marc; Yamamoto, Yumi; Witt, Natalie; Molloy, Mandara; Bentzen, Olly; Freisano, Anthony; Viani, Matthew; Taiman, Maurice

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001866439
It's NY holiday today, would we be able to reach the right person in NY in time? Thanks.

Desiree

From: Maltets, George (GSJW)
Sent: Wednesday, July 04, 2007 2:47 PM
To: Lam, Desiree; Mii, Chris; Morel, Jean-Marc; Yamamoto, Yuki; Witt, Natalie; Molloy, Maedara; Benkert, Olly; Freisenger, Anthony; Visani, Matthew; Tamman, Maurice; Hammatt, Julie
CC: Lehman, David A.; Case, Benjamin; Carrett, Paul (GSJW); Harris, Kate (GSJW); Rolleston, Jeremy (GSJW)
Subject: Basis

I just spoke with Peter Dobson at Basis (4:30pm SYD time).

He is not concerned with the $5 of the margin call, but very concerned about the marks - they are contesting these levels, i.e. seeking clarity before agreeing to pay the margin.

They want to see:
- the comparable market data point for the Timberwolf marks
- more info for each of the ABS CDO marks like IRRA, CDR, CFR, reinvestment profile, WAL, cashflows, etc
- the market data point for those marks, a actual trade examples done at these levels
- any other colour specific to these deals which helps Basis understand the marks

I will be arranging a call b/wn Basis and the NY traders asap

Rgds,
George
+612 9320 1431
From: Lam, Desiree [mailto:desiree.lam@gs.com]
Sent: Wednesday, 4 July 2007 4:30 PM
To: Maltezos, George
CC: Ng, Chris; Morel, Jean-Marc
Subject: RE: Basis

Hi George, please help confirm client’s plan to meet the margin call.
Thanks.

Copying Ops as well.

Desiree

---

From: Maltezos, George (GS/MW)
Sent: Wednesday, July 04, 2007 8:56 AM
To: Lam, Desiree
CC: Ng, Chris; Morel, Jean-Marc
Subject: RE: Basis

Good morning - basis has received the margin calls. I have not heard back. Will revert
asap.

---

From: Lam, Desiree [mailto:desiree.lam@gs.com]
Sent: Wednesday, 4 July 2007 10:13 AM
To: Maltezos, George

Confidential Treatment Requested by Goldman Sachs
Hi George, good morning.

Not sure if you have a chance to talk to the client this morning, are they ok to arrange funding today? Kindly keep us posted.

Many thanks,

Desiree Lam
Credit Risk Management & Advisory
Tel: 952.297.1203  I  Fax: 952.297.0242
Email: desiree.lam@gs.com
here is the language:

"Nothing in this notice shall be deemed to constitute a waiver of any Potential Event of Default, Event of Default or similar event (including on the basis of any prior margin call), and GSI hereby reserves all rights and remedies that it may have under any agreement between GSI or any of its affiliates and Counterparty or any of its affiliates and under applicable law."

-----Original Message-----
From: Espl, Jonathan
Sent: Monday, July 16, 2007 12:48 PM
To: Espl, Jonathan; Ras; Nicole; Lehman; David A.; Young; Greg; Tota; Frank; Riggs; Tom; Maskow; Andrew Pryt; Benjamin; Maltese; George (GSBM); Oderer; Gerald; Jacobsen; Glade; Huffman; Robyn; Skandra; Tim; Boudreau; Tricia; Massima; Michaelis; Letis; Spass; Daniel; J; Zhang; Nicos; Jean-Marie; Wang; John (RR Credit); Wylie; Denise; Armstrong; Phil
Cc: Rapfogel; Alan; Bradenick; Craig; Leps; Brendan; Olsen; Matthew (Credit); Schick; Sharon; Buckholz; Keith; Chen; Vincent; Balogh; Susan; Riggs, Tom
Subject: RE: Basis

As discussed on this morning's internal call we are changing some marks on ABS CDO positions for OBS 16 July 2007 to be processed immediately for today's call. Note this does not include any mark changes from Garry Oderer's desk on the CDO positions.

Note from Tom Riggs — we should include no waiver language in these margin calls, Tom said he would follow up to this group shortly.

Please contact me if there are any questions/comments.

Yield Alpha:

PTRES 07-16 D (US071030A678) 10.00% (from 15.00)%

45.00% (from 50.00)%

350 (from 400)

Pre-Risk:

PTRES 07-16 EMC (US071035AF1C) 8.00% (from 10.00)%

500 (from 400)

500 (from 550)

550 (from 600)

We will also be impacting in our systems the following mark changes on the I TMOLP CDS vs Yield Alpha:

TWOLF A2 (Trade ID SDB91814615A) to 55% (from 65%)

TWOLF B (Trade ID SDB9181469B1A) to 45% (from 60%)

Confidential Treatment Requested by Goldman Sachs
<table>
<thead>
<tr>
<th>Basis Two Side Opportunity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount</td>
<td>$23,132,400</td>
</tr>
<tr>
<td>Offset by securities plus cash held (pre-haircut)</td>
<td>$37,255,400 (this includes the $4.13 received today)</td>
</tr>
<tr>
<td>Call issued to client (CBO 10th)</td>
<td>$4,130,000 - PURG RECEIVED</td>
</tr>
<tr>
<td>Basis Yield Alpha</td>
<td></td>
</tr>
<tr>
<td>Loan Amount</td>
<td>$22,556,699</td>
</tr>
<tr>
<td>Offset by securities plus cash held (pre-haircut)</td>
<td>$25,740,093</td>
</tr>
<tr>
<td>Call issued to client (CBO 10th)</td>
<td>$2,820,000</td>
</tr>
<tr>
<td>YTC</td>
<td></td>
</tr>
<tr>
<td>Basis Yield Alpha</td>
<td></td>
</tr>
<tr>
<td>Total exposure</td>
<td>$29,169,692</td>
</tr>
<tr>
<td>Collateral Held</td>
<td>$35,471,850</td>
</tr>
</tbody>
</table>
Footnote Exhibits - Page 4577

Call issued to client (COB 10th) $5,100,000

We will send revised numbers based on today's mark.

Nicole

-----Original Message-----
From: Lehman, David A.
Sent: Thursday, July 12, 2007 7:20 PM
To: Rabe, Nicola; Young, Greg; Tota, Frank; Rippa, Tom; Maskow, Andrew; Pynt, Benjamin; Malleson, George (GEIA); Oudekerk, Gerald; Jacobsen, Glade; Spol, Jonathan; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michaela; Letts, Shaun; Murrell, Jean-Marx; Wang, Josh (UR Credit); Myllis, Denise; Armstrong, Phil
Cc: Rapfogel, Alan; Broderick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Schick, Sharon; Bockholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

The client has been unresponsive for the past 60 minutes.

As of now Basis has not committed to make the repo or CDS margin call in Yld Alpha.

In addition, we have not traded the CLO equity or executed the netting agreement.

Let's get on the phone 8:30 to discuss next steps and thoughts.

Domestic: 1-908-446-6394
International: 1-120-304-8803
Passcode: 91254

-----Original Message-----
From: Rabe, Nicola
Sent: Thursday, July 12, 2007 2:15 PM
To: Young, Greg; Tota, Frank; Rippa, Tom; Lehman, David A.; Maskow, Andrew; Pynt, Benjamin; Lehman, David A.; Malleson, George (GEIA); Oudekerk, Gerald; Jacobsen, Glade; Spol, Jonathan; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michaela; Letts, Shaun; Murrell, Jean-Marx; Wang, Josh (UR Credit); Myllis, Denise; Armstrong, Phil
Cc: Rapfogel, Alan; Broderick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Schick, Sharon; Bockholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

ccsing Denise and Phil

-----Original Message-----
From: Young, Greg
Sent: Thursday, July 12, 2007 7:05 PM
To: Tota, Frank; Rabe, Nicola; Rippa, Tom; Lehman, David A.; Maskow, Andrew; Pynt, Benjamin; Lehman, David A.; Malleson, George (GEIA); Oudekerk, Gerald; Jacobsen, Glade; Spol, Jonathan; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michaela; Letts, Shaun; Murrell, Jean-Marx; Wang, Josh (UR Credit)
Cc: Rapfogel, Alan; Broderick, Craig; Lepis, Brendan; Olson, Matthew (Credit); Schick, Sharon; Bockholz, Keith; Chen, Vincent; Balogh, Susan
Subject: RE: Basis

Given that Basis must consent to this, and given we are in ongoing discussions with Basis on meeting margin calls, I suspect that a recall effort would not be successful. David, I know you've been in ongoing discussion with them. What's your assessment?

-----Original Message-----
From: Tota, Frank
Sent: Thursday, July 12, 2007 3:57 PM
To: Rabe, Nicola; Young, Greg; Rippa, Tom; Lehman, David A.; Maskow, Andrew; Pynt, Benjamin; Lehman, David A.; Malleson, George (GEIA); Oudekerk, Gerald; Jacobsen, Glade; Spol, Jonathan; Huffman, Robyn; Saunders, Tim; Bowden, Tricia; Messina, Michaela

Confidential Treatment Requested by Goldman Sachs
Basis Makes Blackstone to Limit Losses on Hedge Funds (Updated)

(Adds Basis Capital assets in second paragraph.)

By Lewis Cochrane
July 24 (Bloomberg) -- Basis Capital Fund Management Ltd., the Australian hedge fund manager battered by losses in the U.S. subprime mortgage market, hired Blackstone Group LP as an adviser to help avoid a fire sale of assets.

Blackstone, already helping Bear Stearns Cos. liquidate two hedge funds, will advise Basis Capital, "to prevent adverse pricing and selling of assets," the Sydney-based firm said in a statement today. Basis Capital, which had assets of $1 billion as recently as May, said July 19 that the value of its Yield Alpha fund may fall more than 35 percent if assets are sold at distressed prices.

The losses at the fund, which recorded an average annual return of 13.5 percent for the past five years, underscores the global impact of the subprime shakeout. Federal Reserve Chairman Ben S. Bernanke said July 19 that there will be "significant financial losses" from risky mortgages, pointing to estimates as high as $100 billion.

"The fallout from subprime is likely to impact most asset classes and investment strategies over the next couple of years because the ratings agencies completely goofed up," said Peter Douglas, founder of Singapore-based hedge fund research firm GPA Pte.

"Basis Capital is like a bellwether." Basis Capital's Aust-Rim Opportunity Fund and the Yield Alpha fund lost 9 percent and 14 percent respectively in June.

The funds are in trouble by investing in the unrelated, riskiest portions of collateralized debt obligations. These portions, also known by bankers as "toxic waste," are first in line for any losses when borrowers fall short on mortgage payments.

Delinquencies Rise

Sophia Harrison, a spokeswoman for Blackstone in London, declined to comment about the firm's role with Basis Capital.

The Australian firm was founded by Steve Howell and Stuart Fowler, who worked together at County Westminster in 1999. It was named "Fund of the Year" at the 2005 Alternative awards and Monequry Bank Ltd.'s "Skilled Manager of the Year" in 2004.

Delinquencies on U.S. subprime mortgages -- loans that people with poor credit acquired to a 10-year high this year after borrowing costs rose.

"While sales of CDOs -- used to pool bonds, loans and their derivatives into new debt -- coo fivefold to $533 billion last year from 2005, investor appetite for the securities is now waning. Analysts at New York-based JPMorgan Chase & Co. said yesterday that CDO sales dwindled to $5.7 billion in the U.S. this month from $44.2 billion in June.

Credit Markets

The extent of the asset declines such as those at Basis Capital and Bear Stearns Cos. is masked by the reluctance of investors to buy or sell the illiquid securities, said chair Percy-Dove, the Sydney-based head of credit research at Australia's New Zealand Banking Group Ltd.

"Every single CDO is very different," she said. "To get somebody to price a CDO at all can be difficult because people won't price something they don't understand."
Footnote Exhibits - Page 4579

Bear Stearns, the fifth-largest U.S. securities firm, said July 18 that investors in its two faltering hedge funds will get little if any money back after "unprecedented declines" in the value of securities used to bet on subprime mortgages.

The losses triggered a sell-off across credit markets because of concerns that CDO declines would mean losses for holders of even the least risky debt and that fewer sales of new CDOs would reduce demand for bonds and loans.

S&P Downgrades

The Basis Capital funds, which were open to individual and institutional investors, had the highest five-star ratings from Standard & Poor's before the ranking was put "on hold." July 17.

This means the rating is being reviewed because "issues potentially affecting the management of the fund have emerged," according to S&P's Web site.

David Edmonnes, a fund analyst at S&P, said the evaluation of Basis's assets had triggered margin calls from investment banks that have seized and begun to sell off assets. S&P today kept the funds on hold after meeting with management.

Investors have criticized S&P, Fitch Ratings and Moody's Investors Service, saying these ratings on bonds backed by U.S. mortgages to people with limited credit didn't reflect the rising default rate. They often gave top ratings to the securities. Some bonds have lost more than 50 cents on the dollar this year while their credit ratings haven't changed.

Australian Market

"This won't be the last fund in Australia or overseas to find itself in financial difficulty because of U.S. subprime," said Mark Boyle, a Sydney-based director in credit and structuring at ANZ Amcor Holding BV.

Mariner Bridge Investments Inc., another Sydney-based asset manager, wrote down its U.S. residential mortgage-back securities portfolio on July 25 to 26 percent below face value on subprime losses. Mariner said A$76 million of its A$302 million in assets was invested in U.S. residential mortgage-backed securities.

Australian investors, mostly individuals, had A$607 million in the two Basis funds, the Australian Financial Review said July 19. Hedge funds in Australia are open to retail investors, unlike in the U.S. where the largely unregulated pools of capital are generally limited to hedge funds and wealthy individuals. The funds' managers participate substantially in any gains on the money invested.

--With reporting by Bei Hu in Hong Kong and Stuart Kelly in Sydney. Editor: Miller (phil/pw/tmg)

Story Illustration: For an index of hedge-fund returns, see HEDGEWIRE INDEX+ (GD). For more news on hedge funds, see HEDGE + (GD) and CDO subprime news see SUBPRIME + (GD). For Bloomberg's hedge-fund home page see HEDGEFUND.COM.

To contact the reporter on this story: Laura Coughlan in Melbourne at +61-3-9224-8732 or lcoughlan@bloomberg.net.

To contact the editor responsible for this story: Betty Ismail at +65-9792-2410 or mismail@bloomberg.net

(TDAINTO)

BZ US Equity ON
BZC US Equity ON
N1 SURPRISE
N7 HEDGE
N1 ASIA

Confidential Treatment Requested by Goldman Sachs

GS MB9-E013449642
Footnote Exhibits - Page 4580

NF PWD
NF PIN
NF NOD
NF NPB
NF CNA
NF RUS
NF NUB
NF COD
NF CUS
NF DIN
NF CPV
NF CDPY
NF CMM
NF CDO

#556956.3815268.1.0.38.15369.25@#
#656956.3815268.1.0.38.15369.25@#

-----Original Message-----
From: Lehman, David A.
Sent: Tuesday, July 24, 2007 10:38 AM
To: Lehman, David A.; Bernandez, Fran; Mullen, Donald; Sparks, Daniel L.; 'sgroshandler@ogeh.com'; Young, Greg; Messina, Michaela Leti; Saunders, Tim; Littlejohn, Darren; Waskow, Andrew; 'nhume@ogeh.com'; Hopfogel, Alan; Brafman, Lester R.
Cc: Eqpl, Jonathan
Subject: RE: Basic update - 9:30

Spoke with Simon Davies & Blackstone again
Told him we needed to understand where we are on PacRim ASAP

It was familiar with the notices which OSI sent, the 2 day delay period, and that we reserved our cost-termination rights under the GMA.

-----Original Message-----
From: Lehman, David A.
Sent: Tuesday, July 24, 2007 9:06 AM
To: Lehman, David A.; Bernandez, Fran; Mullen, Donald; Sparks, Daniel L.; 'sgroshandler@ogeh.com'; Young, Greg; Messina, Michaela Leti; Saunders, Tim; Littlejohn, Darren; Waskow, Andrew; 'nhume@ogeh.com'; Hopfogel, Alan; Brafman, Lester R.
Cc: Eqpl, Jonathan
Subject: RE: Basic update - 9:30

Hug and cash side due 8:400 today from LKH/RB/BR/MB

-----Original Message-----
From: Lehman, David A.
Sent: Tuesday, July 24, 2007 9:06 AM
To: Lehman, David A.; Mullen, Donald; Sparks, Daniel L.; 'sgroshandler@ogeh.com'; Young, Greg; Messina, Michaela Leti; Saunders, Tim; Littlejohn, Darren; Waskow, Andrew; 'nhume@ogeh.com'; Brafman, Lester R.
Cc: Eqpl, Jonathan
Subject: RE: Basic update - 9:30

What happens now?

----- Original Message ----- 
From: Lehman, David A.
Footnote Exhibits - Page 4581

To: Lehman, David A.; Mullen, Donald; Sparks, Daniel L; Bermantohn, Fran; 'agrosshandler@ogh.com' 'agrosshandler@ogh.com'; Young, Greg; Messina, Michaela Letti; Saunders, Tim; Littlejohn, Darren; Maskow, Andrew; 'thome@ogb.com' 'thome@ogb.com'; Rapofoel, Alan; Brafman, Lester R
Cc: Egor, Jonathan
Sent: Tue Jul 24 09:51:08 2007
Subject: Re: Basis update - 9:30

I called Blackstone this morning.
I told them I was very surprised not to have heard back from them (either way) last night.
I asked for specific feedback on our proposal and why they did not work.
Their only comment was "Basis could not get legal advice last night" and that they went to bed.
Disappointing to say the least.
They were aware we sent our notices.

-----Original Message-----
From: Lehman, David A.
Sent: Monday, July 23, 2007 8:50 PM
To: Mullen, Donald; Sparks, Daniel L; Bermantohn, Fran; 'agrosshandler@ogh.com'; Young, Greg; Messina, Michaela Letti; Saunders, Tim; Littlejohn, Darren; Maskow, Andrew; 'thome@ogb.com'; Rapofoel, Alan; Brafman, Lester R
Cc: Egor, Jonathan
Subject: Re: Basis update - 9:30

Yes, I communicated our 12:00 timeline.

-----Original Message-----
From: Mullen, Donald
Sent: Monday, July 23, 2007 9:50 PM
To: Lehman, David A.; Sparks, Daniel L; Bermantohn, Fran; 'agrosshandler@ogh.com'; Young, Greg; Messina, Michaela Letti; Saunders, Tim; Littlejohn, Darren; Maskow, Andrew; 'thome@ogb.com'; Rapofoel, Alan; Brafman, Lester R
Cc: Egor, Jonathan
Subject: Re: Basis update - 9:30

Are they coming back tonight?

----- Original Message ----- 
From: Lehman, David A.
To: Lehman, David A.; Sparks, Daniel L; Mullen, Donald; Bermantohn, Fran; 'Beth GROHSREIN@OGH.COM' 'agrosshandler@ogh.com'; Young, Greg; Messina, Michaela Letti; Saunders, Tim; Littlejohn, Darren; Maskow, Andrew; 'balthin tume' 'thome@ogb.com'; Rapofoel, Alan; Brafman, Lester R
Cc: Egor, Jonathan
Subject: Basis update - 9:30

Just got off a 10 minute call with Matt and Simon from Blackstone.
They discussed two things:

1) Fiduciary vs. Yid Alphas. Age old question. I reiterated our desire to holistically come to closure with basis. I assured them we were sensitive to the two distinct funds as is our proposed agreement.

2) Swap pricing. Sounds like the directors are concerned with committing to trading the
swaps as there has been no "third party verification." I told them our auction mechanism afforded them the best price in the market and walked them through our rationale. I told them if there was a way to get a higher actionable bid tomorrow it would be better for both SS and Basis and we should have that conversation.

They are touching base with Sydney and coming back.

From: Lehman, David A.
Sent: Monday, July 23, 2007 3:18 PM
To: Sparks, Daniel; Maley, Donald; Bermann, John; 'Seth GOSSHAMBERG'; Young, Greg; Messina, Michael; Lebl, Al; Tripp, J; Saunders, Tim; Littlejohn, Darren; Waskow, Andrew; ‘Nathan Name’; Magfogel, Alan; Braffman, Lester R
Subject: FY: Basis / 431

Response below

Interesting to note -- Three new names on the email list (The 3 Yid Alpha Directors? I think so...)

1) Steve Howell. Bents, he is the other main principal w/ S. Fowler, he is in Sydney (showell@basiscap.com.au)
2) David Mapley, SHISHIDA CAPITAL ADVISORS in London (mapley@rhoades-ltd.com)
3) Zahid Ulir, Antenna Capital, location unknown (ulih@antennacapital.com)

From: Davies, Simon [mailto:davies@blackstone.com]
Sent: Monday, July 23, 2007 3:31 PM
To: Lehman, David A.; Stuart Fowler; John Murphy
Cc: Gudgeon, Martin; nick.rees@ballard.com; mark.byers@ptk.com; Steve Howell; David Mapley; Zahid Ulir
Subject: RE: Basis / 431

David,

Thanks very much for the note. As we mentioned on the phone earlier, we will be speaking with our client and the other advisors later on (as call which is currently pencilled in for midnight UK time) and you will be a priority for discussion. Thanks for taking the time to discuss matters with us earlier and for keeping us updated as to decisions and progress from your side. With the aim of creating as transparent and open a process as possible, we will commit to do the same from our side.

Kind regards

Simon
Simon Davies
The Blackstone Group International Limited
Tel: +44 20 7451 6397
Fax: +44 20 7451 4322
Mob: +44 7973 115075
Email: davies@blackstone.com

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-21344/645
Footnote Exhibits - Page 4583

From: Lehman, David A. (mailto:david.lehman@gs.com)
Sent: 23 July 2007 10:41
To: Stuart Fowler; John Magby
Cc: Gudgeon, Martin; Davies, Simon; nick.reeves@mallesons.com;
Mark.Byers@gs.com
Subject: Basis / GSI

Team Basis -

Over approximately the past 5 days, GSI has been working with Basis in good faith towards a consensual agreement regarding our repo and swap exposure.

After repeated attempts from GSI to continue our dialogue, GSI has not heard (e-mail or phone) from Basis over the past 60 hours.

As GSI and Basis previously maintained a good dialogue working towards a common end, GSI is concerned by the lack of communication given the current situation.

If the execution of a binding agreement cannot be reached by 12:00 New York Time tonight (3:00 p.m. Sydney Time), GSI expects to close out our repo and swap exposure.

GSI’s strong preference is a consensual resolution along the lines negotiated with Basis, but the lack of communication and inability to move our bilateral agreement forward leaves GSI little choice.

Please note that GSI has postponed the security and swap bid lists scheduled for this afternoon which were contemplated in our consensual agreement.

David Lehman
Fixed Income, Currency & Commodities

Disclaimer:

This material has been prepared specifically for you by the Goldman Sachs Fixed Income Structured Product Group (SPG) Trading Desk and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Additionally, the material is based on certain factors and assumptions as the SPG Trading Desk may in its absolute discretion have considered appropriate. These can be no assurance that these factors and assumptions are accurate or complete, that estimated returns or projections can be realized, or that actual returns or results will not be materially different than those presented. Certain transactions, including those involving ABS, CMBS, and CDOs, may give rise to substantial risk and are not suitable for all investors. The SPG Trading Desk may have accumulated long or short positions in, and buy or sell, the securities that are the basis of this analysis. The SPG Trading Desk does not undertake any obligation to update this material.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-013449446
Basis Yield Alpha Fund (Master) (Yield Alpha)
C/o Basis Capital Group
Level 37, Gateway Building
1 Macquarie Place
Sydney NSW 2000
Australia

Attention: Stuart Fowler

31 July 2007 3:00 a.m. (London time)

VIA HAND DELIVERY AND EMAIL:

Dear Sirs

EVENT OF DEFAULT UNDER ISDA MASTER AGREEMENT

1. Further to our letter dated 24 July 2007 in which we notified you of the occurrence of an Event of Default under the Agreement (as defined in that letter) we write to confirm that, as the Non-defaulting Party, we have calculated the resulting termination amount payable under Section 6(e) of the Agreement in respect of outstanding Transactions.

2. As required pursuant to the Agreement, we have designated U.S. Dollars as the Termination Currency. Accordingly, such termination amount is expressed in U.S. Dollars.

3. The termination amount payable by Yield Alpha to us as of the date hereof is U.S.$36,950,578.81, consisting of the Settlement Amount, Unpaid Amounts and expenses pursuant to Section 11 of the Agreement for our reasonable out-of-pocket expenses, including legal fees, incurred as at the date hereof by reason of the enforcement and protection of our rights under the Agreement and by reason of the early termination of the Transaction, each as detailed in the schedule hereeto. Please send your payment by close of business on 31 July 2007 to the following account:

ABA #: [Redacted]

BANK NAME: [Redacted]

CITY: NEW YORK

A/C #: [Redacted]

ACCOUNT NAME: GOLDMAN SACHS INTERNATIONAL

4. The Settlement Amount was calculated on the basis of Loss as detailed in the schedule hereeto as soon as reasonably practicable after the Early Termination Date as we were unable to obtain the required number of Market Quotations.

5. We reserve the right to exercise from time to time any additional rights, powers, privileges and remedies we have or to which we are entitled under the
Agreement or otherwise, including the right to seek additional legal fees, incurred by reason of the enforcement and protection of our rights under the Agreement and by reason of the early termination of the Transaction and recovery of amounts due to us in the Courts of England.

Yours faithfully

Goldman Sachs International
## Schedule

<table>
<thead>
<tr>
<th>Transaction Reference Number</th>
<th>Reference Obligation</th>
<th>CUSIP</th>
<th>USD Notional</th>
<th>CDS Premium (per annum)</th>
<th>Levels for Loss Determination</th>
<th>GSI Determination of Loss (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD0091B0418</td>
<td>TWOLF 2007-1A A2</td>
<td>88714PAF3</td>
<td>50,000,000</td>
<td>0.90%</td>
<td>75.00%</td>
<td>37,500,000.00</td>
</tr>
<tr>
<td>SD0091B0418</td>
<td>TWOLF 2007-1A B</td>
<td>88714PGQ1</td>
<td>50,000,000</td>
<td>1.40%</td>
<td>75.00%</td>
<td>37,500,000.00</td>
</tr>
</tbody>
</table>

Settlement Amount: 72,500,000.00

<table>
<thead>
<tr>
<th></th>
<th>Credit Support Balance</th>
<th>Accrued Interest</th>
<th>Unpaid Amount</th>
<th>Expenses</th>
<th>GSI Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(35,471,850.00)</td>
<td>(152,271.15)</td>
<td>(33,634,003.19)</td>
<td>89,399.00</td>
<td>US$39,592,578.51</td>
</tr>
</tbody>
</table>

Page 3

JUL 003960
Order of priority in terms of risk:
1. CDO-squareds
2. Hudson Mezz
3. All other positions - traditional-style CDOs with collateral managers

Gameplan for distribution:
1. CDO-squareds
   - Target real money institutional buyers that can take larger bids size than traditional CDO buyers and are focused on yield pick-up vs. other investments - for example, Asian banks and insurance companies.
   - Target European banks focused on new Basel II regulatory capital framework that achieve significant regulatory capital benefit for investing in highly rated assets vs. the previous system.
   - Offer CDO CDS protection on a portfolio of names in the Timberwolf and Poine Pleasant portfolios to buyers looking at cash liabilities from the two deals as a long/short pair trade - for example, AIG is currently focused on this trade idea.
   - Offer long CDS protection on 51 CDO names in the two portfolios and we have been aggressively sourcing further protection in the CDS market on names in the two portfolios recently.
   - Target hedge funds that can put on this type of relative value long/short trade with short-term financing to achieve returns attractive relative to CDO equity.

2. Hudson Mezz
   - Focus on institutional buyers that can take larger bids size than traditional CDO buyers.
   - Focus on buyers that are currently long ABS risk and can get comfortable with the Hudson Mezz underlying portfolio without needing the benefit of a collateral manager - for example, US insurance companies like Progressive.
   - Offer RMBS CDS protection to buyers looking at cash liabilities as a long/short pair trade.
   - Offer CDO CDS protection to buyers looking at cash liabilities as a long/short pair trade.
   - Pitch Hudson Mezz as a means to express long 68-106/2 vs. short 27-1 trade.
   - Target hedge funds that can put on these relative value long/short trades with short-term financing to achieve returns attractive relative to CDO equity.

3. Other positions
   - GSC super-senior ABS - Dreidorp is nearing completion of their work on $500mm of our $1.965bn position. Other options for the remaining size: CIG, Radian, FGIC.
   - Continue to focus on CDO managers ramping new deals and reinvesting principal paydowns in existing reinvestable deals for smaller cash pieces (examples in the last 2 weeks - sales to Terwin, Oppenheimer, Dearfield, and Vactor Capital).
   - Target buying protection in CDS format on the same names we are currently long in cash if they continue to be more liquid in CDS vs. cash due to market technicals, and when we reach critical mass ($50-100mm), compile a package of cash positions that we've bought protection on and offer the package as a negative basis trade.
Footnote Exhibits - Page 4588

From: Sparks, Daniel L  
Sent: Monday, June 04, 2007 7:17 AM  
To: Chaudhary, Omar  
Subject: RE: Timberwolf and Hungkuk Life

Good job - keep going

From: Chaudhary, Omar  
Sent: Monday, June 04, 2007 6:27 AM  
To: Sparks, Daniel L; Credit, Christopher J; Richardson, Matthew G; Case, Benjamin  
Cc: Sparks, Daniel L; Richardson, Matt; Jay, Sugaoka, Hiroshi

Subject: RE: Timberwolf and Hungkuk Life

We received the following verbal order from Hungkuk Life on Timberwolf: 20556mm WOLF 2007-1A A2 (85+4 delta). Few comments:

- Timing: We expect to receive the 100% final order by Friday as we need to receive formal BOE approval and an internal deal / senior manager approval and are both not expected to be a problem. Once we have formal approval, we will be able to trade the ticket.
- Prioritize: Hungkuk Life will confirm shortly but currently they are in the 84-85 context per our offer.

Thanks.

From: Lee, Jay  
Sent: Friday, June 01, 2007 9:28 PM  
To: Lehman, David A; Blake, Matthew G; Case, Benjamin; Credit, Christopher J

Cc: For-report, Wheeler, Smith, Black, Robert K; Chaudhary, Omar; Lee, Jay

Subject: Timberwolf and Hungkuk Life

Next week Hungkuk Life will submit an approval form on Timberwolf A2's. Their size will be 20mm-40mm, depending on offer price.

The largest hurdle from the client's perspective is whether or not they can get the mandate to buy something backed by synthetically securitized CDO's, as they have never bought CDO's before. Both the accounts GM and bank of Korea’s Central Bank can OK them on this.

The largest hurdle from seller's perspective is MTM. It is an important client, and if the mark widens out more than 1pt immediately after selling the asset to them, sales cannot sell it. Understanding that it is a volatile asset, sales wants to know that where we sell it to the client will not be more than 1pt less than where the mark would be, provided no new marked information.

Please provide the following by Sunday 7pm NYC (Monday morning Asia):

- Base Case GM: Other 3M such that the price is 1/4pt above where we intend to mark it (provided no mark change)
- Show Prices/OM table centered around the Base Case GM as defined above, and +/- 30bp dm by 10 GM (eg, 7 scenario total). Assume a scale of June 14th.

If there are any questions, please contact me at +81-90-3523-0936, or email at jay/le@ekweb.ne.jp

Confidential Treatment Requested by Goldman Sachs Group Inc.
From: Sparks, Daniel L
Sent: Sunday, June 10, 2007 5:38 PM
To: Chaudhary, Omar
CC: Bohra, Rusty
Subject: RE: SP CDO Axes - Summary

Get these done - and then keep going.

You guys are awesome - and many people are noticing.

-----Original Message-----
From: Chaudhary, Omar
Sent: Sunday, June 10, 2007 10:24 AM
To: Sparks, Daniel L
CC: Bohra, Rusty
Subject: SP CDO Axes - Summary

Dear

For our conversation on Friday, wanted to make sure you had the complete update/summary of where we are on the CDO axes in Asia. Total firm bids for risk 316 ppsm with another potential 20 bpsm this week.

*Tokyo Star Bank (Japan) -- 20bps TWOFL AAA's. Sugii on our desk worked personally on this daily for 3 weeks.

*Sumitomo Life (Korea) -- 50bps TWOFL AAA's with of Fridays expect $20m on 20 bpsm more by mid next week (need to book as single ticket). Jay and Sugii working with entire Korea team (including in Park) to get this through. We have leveraged our personal relationship / time investment to date with the Korea team to push them on this.

*Basics Capital (Australia) -- 50bps AAA and 50bps AA TWOFL firm order in swap form as of last week (as you know, just finalising last two internal credit / doc issues). George has totally come through on this and again proves how invaluable he is to the business (we should keep this in mind as we continue to think about important personnel to global SPC and expand the trading/syndicate side of the business).

*Tokyo Star Bank (Japan) -- Appr. 20bpsm indication for Punt Pleasant AAA's. PM's taking deal to their risk committee on Tuesday of this week in Tokyo. Again, Sugii has been driving this process and getting it done.

Let me or Rusty know if you need further clarification on any of these. In Barcelona Monday/Tuesday. Thanks.

Omar Chaudhary, Goldman Sachs Japan
Tel: +81 3 6127-7199
Mob: +81 90

Confidential Treatment Requested by Goldman

© Goldman Sachs 2007. All rights reserved.

GS MBS-E-013971809

1

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2452
Footnote Exhibits - Page 4590

From: Sparks, Daniel L  
Sent: Monday, June 11, 2007 8:31 AM  
To: Lehman, David A.  
Subject: Re: Hungkuk Life/TWOLF

Who is entering trades - and how many T-wolves left

----- Original Message -----  
From: Lehman, David A.  
To: Montag, Tom; Mullen, Donald; Brafman, Lester R; Swenson, Michael  
Cc: Sparks, Daniel L; Chaudhary, Omar  
Sent: Mon Jun 11 04:35:57 2007  
Subject: Re: Hungkuk Life/TWOLF

Just confirmed - will be TD today - 50xx $ 84.1  
Great job by Omar and his team and 3M park in sales.

David A. Lehman  
Goldman, Sachs & Co.  
85 Broad Street | New York, NY 10004  
Tel: 212-902-1927 | Fax: 212-902-1691 | Mob: 917  
e-mail: david.lehman@goldman.com

----- Original Message -----  
From: Montag, Tom  
To: Lehman, David A.; Mullen, Donald; Brafman, Lester R; Swenson, Michael  
Cc: Sparks, Daniel L; Chaudhary, Omar  
Sent: Mon Jun 11 04:30:26 2007  
Subject: Re: Hungkuk Life/TWOLF

incredible job---just incredible

-----Original Message-----  
From: Lehman, David A.  
Sent: Monday, June 11, 2007 5:20 PM  
To: Mullen, Donald; Montag, Tom; Brafman, Lester R; Swenson, Michael  
Cc: Sparks, Daniel L; Chaudhary, Omar  
Subject: FW: Hungkuk Life/TWOLF

Will be 50xx w/ $X Life of TWOLF A2. TD today or tomorrow, expect $84 or 85 price.

David A. Lehman  
Goldman, Sachs & Co.  
85 Broad Street | New York, NY 10004

Confidential Treatment Requested by Goldman Sachs 

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2453

GS MBS-E-001866144
Footnote Exhibits - Page 4591

From: Sparks, Daniel L
Sent: Monday, June 25, 2007 11:02 AM
To: Montag, Tom; Mullin, Donald; Lee, Brian-J (FI Controllers); Salame, Pablo
Subject: RE: CDO marks

Focus will be on the 300mm from beam - but many people are in watch (voyeur) mode so could take time

-----Original Message-----
From: Montag, Tom
Sent: Monday, June 25, 2007 10:22 AM
To: Sparks, Daniel L; Mullin, Donald; Lee, Brian-J (FI Controllers); Salame, Pablo
Subject: Re: CDO marks

Jay, How are things sales doing?

----- Original Message ----- 
From: Sparks, Daniel L
To: Mullin, Donald; Montag, Tom; Lee, Brian-J (FI Controllers); Salame, Pablo
Subject: CDO marks

CDOs have widened a lot (BSAM situation, other) and we probably need to widen things/lower prices - next few days.

The effect on us will probably be a net positive, with retained CDO positions lower, CDS protection and correlation having gains. We are still doing work. We are also thinking through client mark issues including speaking to compliance about using hides.

Also, monthly subprime remittances are out today, and early read is performance is poor and speeds are slow.

Also, Moody's wants to speak (as our corporate rate). NYSE has questions, and I spoke with the SEC Thursday - all off the BSAM and related stuff.
---Original Message-----
From: Swanson, Michael
Sent: Monday, June 25, 2007 9:28 PM
To: Swanson, Michael
Subject: RE: Mortgages Estimate

Were xtral helpful/useful anywhere in this?

-----Original Message-----
From: Swanson, Michael
Sent: Monday, June 25, 2007 9:28 PM
To: Swanson, Michael
Subject: RE: Mortgages Estimate

Partially edus going wider street admitting it is a problem

----- Original Message ----- 
From: Swanson, Michael
To: Swanson, Michael
Subject: PW: Mortgages Estimate

Big numbers! Motivated by Deer?

From: Zuckerman (Stroess), Sara J.
Sent: Monday, June 25, 2007 6:13 PM
To: fico-rou
Subject: Mortgages Estimate

PICC Mortgages - Daily PL Estimate

1. SUMMARY

TOTAL

Structured Products 42,330,000
- Real Prime/Mtg Deriva (150,000)
- Real Credit 5,750,000
- CDS 430,000
- ABS
- SPS Trading 120,500,000
- CDO / CLO (46,900,000)
- Other Structure Products
- Europe
- Other (Advisory, FICO, Managers/Other)

Confidential Treatment Requested by Goldman Sachs
<table>
<thead>
<tr>
<th>MORTGAGES</th>
<th>42,530,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages WTD</td>
<td>42,530,000</td>
</tr>
<tr>
<td>Mortgages MTD</td>
<td>173,988,512</td>
</tr>
</tbody>
</table>

**II. DETAIL**

**STRUCTURED PRODUCTS**

<table>
<thead>
<tr>
<th>Mortgage Derivative</th>
<th>100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Derivatives</td>
<td>100,000</td>
</tr>
</tbody>
</table>

**Residential Prime**

| FHA/VA - Primary  | -          |
| FHA/VA - Secondary| -          |
| Subs               | -          |
| Prime Hybrid - Primary | -     |
| Prime Hybrid - Secondary | (250,000) |
| Agency Hybrid      | -          |
| Prime Fixed        | -          |
| Agency CMO - Primary| -        |
| Agency CMO - Secondary| -       |

**Residential Credit**

<table>
<thead>
<tr>
<th>Scratch and Denote</th>
<th>700,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-3 A &amp; 06-3 A &amp; BBB spread widening</td>
<td>-</td>
</tr>
<tr>
<td>06-2 BBB &amp; BBB spread widening</td>
<td>-</td>
</tr>
<tr>
<td>Alt-A</td>
<td>3,500,000</td>
</tr>
<tr>
<td>2nd Lien</td>
<td>350,000</td>
</tr>
<tr>
<td>Residuals - Scratch &amp; Denote</td>
<td>-</td>
</tr>
<tr>
<td>Residuals - Subprime</td>
<td>-</td>
</tr>
<tr>
<td>Residuals - Alt-A</td>
<td>-</td>
</tr>
<tr>
<td>Residuals - 2nd Lien</td>
<td>-</td>
</tr>
</tbody>
</table>

**CMO Trading**

<table>
<thead>
<tr>
<th>120,500,000</th>
<th>CMBS CDO/CRE CDO</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,500,000</td>
<td>CMBS CDO/CRE CDO</td>
</tr>
<tr>
<td>ABS CDO</td>
<td>ABS CDO CBO, Equities</td>
</tr>
<tr>
<td>ABS Trading</td>
<td>ABS CDO CBO, Equities</td>
</tr>
<tr>
<td>41,000,000</td>
<td>ABS CDO CBO, Equities</td>
</tr>
<tr>
<td>Property Derivatives</td>
<td>ABS CDO CBO, Equities</td>
</tr>
<tr>
<td>Correlation</td>
<td>31,000,000 ABS CDO CBO, CDO CDS, CMBS CDS, TAXES, Rates</td>
</tr>
<tr>
<td>CDO/CDO</td>
<td>(84,000,000) ABS / MBS CDO</td>
</tr>
<tr>
<td>CDO mark to market/hedging</td>
<td>(84,000,000)</td>
</tr>
<tr>
<td>UST CDO</td>
<td>-</td>
</tr>
<tr>
<td>USTO CDO</td>
<td>-</td>
</tr>
<tr>
<td>CRE CDO</td>
<td>-</td>
</tr>
<tr>
<td>USTO CDO</td>
<td>-</td>
</tr>
<tr>
<td>CRE CDO</td>
<td>-</td>
</tr>
<tr>
<td>Retained Principal Positions</td>
<td>-</td>
</tr>
</tbody>
</table>

**CDS Related Securities**

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-012371113
Footnote Exhibits - Page 4594

<table>
<thead>
<tr>
<th>Non-economic residuals</th>
<th>Economic residuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse Lending</td>
<td>-</td>
</tr>
<tr>
<td>Residential</td>
<td>-</td>
</tr>
<tr>
<td>Commercial</td>
<td>-</td>
</tr>
<tr>
<td>Asset Backed</td>
<td>-</td>
</tr>
<tr>
<td>Syndicate</td>
<td>-</td>
</tr>
<tr>
<td>ABS</td>
<td>-</td>
</tr>
<tr>
<td>CMS</td>
<td>-</td>
</tr>
<tr>
<td>COO</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
</tr>
<tr>
<td>Total Structured Products</td>
<td>42,530,000</td>
</tr>
</tbody>
</table>

**EUROPE**
- Acquisition Finance
- Syndicate
- Trading

**European CMS**
- Syndicate
- Trading

**Total Europe**

**Total Advisory**

**Total FFS JV**

**Total Manager's Account / Other**

---

Goldman, Sachs & Co.
180 Maiden Lane | New York, NY 10038
Tel: (212) 907-9017
e-mail: sara.stoner@gs.com

Sara Dzuckerman
Finance Division
Goldman Sachs

This message may contain information that is confidential or proprietary. If you are not the intended recipient, please advise the sender immediately and delete this message and any attachments. Follow this link for further information on confidentiality and the risks inherent in electronic communication: [http://www.gs.com/disclaimer/email/](http://www.gs.com/disclaimer/email/)

Confidential Treatment Requested by Goldman Sachs
Can you call me if you are around? I'm on the desk.

We have paid 6pts for AAA's and on the one 50m AA trade we paid 8pts.

-----Original Message-----
From: Resnick, Mitchell R
Sent: Friday, July 06, 2007 6:06 AM
To: Lehman, David A.
Subject: Re: Trade with Leer Ceder / London

How much are you paying for a sale at the offer at 709?

----- Original Message ----- 
From: Lehman, David A.
To: Resnick, Mitchell R
Sent: Fri Jul 06 00:30:10 2007
Subject: RE: Trade with Leer Ceder / London

7 pts OK?

----- Original Message ----- 
From: Resnick, Mitchell R
Sent: Thursday, July 05, 2007 7:34 PM
To: Lehman, David A.
Subject: Re: Trade with Leer Ceder / London

I want to pay him well on this please.

----- Original Message ----- 
From: Fico-CDO-MD
Cc: Case, Benjamin; Resnick, Mitchell R; Meia, Jessica
Sent: Thu Jul 05 15:13:46 2007
Subject: Trade with Leer Ceder / London

We traded 6.3m TMISF 07-1A R @ 578.25

Fia convert to Reg S for Tr6 settlement

Booked in MS

Goldman, Sachs & Co.
85 Broadway | New York, NY 10004
Tel: 212-902-2327 | Fax: 212-493-9881 | Mobile: 917-Classified
E-mail: david.lehman@gs.com

Goldman Sachs

David Lehman
Fixed Income, Currency & Commodities

Disclaimer:

Confidential Treatment Requested by Goldman Sachs
Let's discuss live. Happy to look at his spreadsheet.

FTP... I can also email you this analysis.

1. Number should be 23%, I am assuming a 50% severity of the single-A CDO that has a writedown.
2. At the timberwolf level, OC triggers provide support in the case of a ratings downgrade, and prior to a writedown of the underlying single-A. In those cases, cashflow is directed towards the senior bonds allowing more OC to build at the Jr levels. However, in many of the underlying single-A CDOs, these same triggers could hurt timberwolf. On balance, it probably helps rather than hurts timberwolf at triple-A.
3. I came up with level after talking to ego. Having said that it is large and subjective and have not used it in discussing it with clients other than to say the attachment point for the A2 understates the protection for the A2.

As an aside, the results look even better if you break the 2006 production home equity into buckets based on fico. Without bucketing, roughly 27% of the underlying ref obs going all the way down through to the CDO of the CDO of the CDO, etc. are homeequity of 2006 or earlier production based on our weighting framework. This is better than the original analysis, which had that number at 34%. Even better is that only 14% on a weighted basis of the ref obs are truly subprime (fico 625 and lower). So, defaulting all of these does not hit the A2 attachment point.

In terms of telling customers, I prefer to give them the general idea of the trade. Then give them the excel spreadsheet with our info on ref obs and let them draw their own conclusions.

Thanks Alan, this is a really good contribution to analysis while doing internally as well regarding the pricing of Timberwolf and our structured product positions.

A couple of questions:

1) Can you explain how you got to 24% writedown based on 25% names defaulting?
2) What do you mean when you say that OC triggers could provide additional support beyond excess interest?
3) How did you come up with 4% enhancement at the Timberwolf and underlying CDO levels?
Footnote Exhibits - Page 4597

The trickiest part about sharing this analysis with custies is that it shows just how rudimentary our own understanding of these positions actually is. Are other dealers running cash flows for clients on this type of product? (Including valves for fee thoughts on what Lehman does.)

<< File: timberwolf ana 2.xls >>

Here is a spreadsheet with our latest info on timberwolf plus some simple analysis. I basically default every 2006 vintage subprime regardless of rating, and assume losses of 35% of face. I then look at those losses versus an adjusted cdio credit support to see if there are losses. This brute force approach defaults 25 of the 55 names, or 45%. This results in a writedown at the timberwolf level of 24%. Although the attachment point of the a2 is 20%, the effective attachment is higher, again using another 4% or 24% of cdio or attachment for the a2. (BTW this 4% only reflects the value of the excess interest, the cdio triggers would also give added support.)

This is pretty much the same results before, just hitting the low fico 2006 and just the beat1 and below would look better. Of course if you start getting complete writedowns of 2006, 2005s will take some hits as well. However, I think assuming all 2006 vintage beat1 and below get written down offsets that factor. However, this framework can provide some rudimentary analysis for us and for customers. Once we send them the spreadsheet with the information they can do this them selves.
Footnote Exhibits - Page 4598

From: Bieber, Matthew C.
Sent: Sunday, May 20, 2007 1:28 PM
To: Wiesel, Eliza
Subject: RE: CDO's ECO Update - Feedback from today

Just a heads up - it is MUCH less comprehensive than the look through data we're now discussing.

From: Wiesel, Eliza
Sent: Sunday, May 20, 2007 1:27 PM
To: Bieber, Matthew C.
Cc: Siegel, Eric
Subject: RE: CDO's ECO Update - Feedback from today

ths

From: Bieber, Matthew C.
Sent: Sunday, May 20, 2007 1:27 PM
To: Wiesel, Eliza
Cc: Siegel, Eric
Subject: RE: CDO's ECO Update - Feedback from today

Will have one of the analysts on the team send to you this afternoon. Look for an email from Eric Siegel.

From: Wiesel, Eliza
Sent: Sunday, May 20, 2007 1:25 PM
To: Bieber, Matthew C.
Cc: Siegel, Eric
Subject: RE: CDO's ECO Update - Feedback from today

Can you please fwd me (do you have accessibly) electronic copies of the E+Y"approved" materials for Timberwolf that went out at initial marketing?

From: Bieber, Matthew C.
Sent: Sunday, May 20, 2007 1:19 PM
To: Wiesel, Eliza
Subject: RE: CDO's ECO Update - Feedback from today

Agreed on the likelihood of the fully completed letter. Not sure what a "big boy" letter is - accountants letter typically covers CM materials - not info put together after, so we're somewhat in uncharted territory.

From: Wiesel, Eliza
Sent: Sunday, May 20, 2007 12:48 PM
To: Bieber, Matthew C.
Subject: RE: CDO's ECO Update - Feedback from today

Given how complex the data is for a CDO, there's little chance we'll ever get "fully" comfortable beyond the shadow of a doubt that there's nothing materially misleading in the data we use provide. Is best outcome in this situation to just get a big-boy letter drafted? Have you seen any similar situations?

From: Bieber, Matthew C.
Sent: Sunday, May 20, 2007 11:25 AM
To: Wiesel, Eliza
Subject: RE: CDO's ECO update - feedback from today

Happy to help. These issues come up at least once or twice for every transaction we do.

Confidential Treatment Requested by Goldman Sachs 

Permanent Subcommittee on Investigations 
Wall Street & The Financial Crisis 
Report Footnote #2464

GS MBS-E-001980637
Footnote Exhibits - Page 4599

From: Wheel, Etka
Sent: Saturday, Nov 18, 2007 12:33 PM
To: Interfide, Scott; Bleyer, Matthew S.
Subject: RE: CDC-2 CDC Update - Feedback from today

I am corresponding with Saunders on what’s involved in disclosing the lookthru analysis – we’re doing as much as we can to independently audit the lookthru machinery by another group in Strats, but at some point we’re going to have to take the bullet and send the best we have at whatever confidence level we’re currently at.

If either of you have experience in the “what can we show” thought process, I may need your help.

From: Hager, Scott-Riley, Stan; Camacho, Thomas; Breit, Alan; Weisel, Esther; Sojka, David J.; Behr, Larry; Lufkin, David A.; O’Hara, Michael; Harrigan, Lewis A.; Higgins, William; Oldenziel, Grant; Weaver, Douglas; Gnavish, Justin
Sent: Friday, Nov 16, 2007 5:03 PM
To: Interfide, Scott; Bleyer, Matthew S.; Cresciani, Christopher L.; Bock, Robert W.
Subject: CDC-2 EIU Update - Feedback from today

INTERNAL

Fortress - have continued working and are having trouble modeling the deal in enough detail to be comfortable providing a level. Swavalman continuing to push - planning to have a call to address their questions and concerns early next week - pushing to have call Monday, but might happen Tuesday - also still need lookthru analysis that Strats are working on.

Winchester - have not come back with an answer - deal has been elevated to senior management - they are debating appetite for additional sector exposure, if comfortable adding risk they will come back with what levels work. Continuing to push early next week.

Stark - still looking, but concerned about correlation and recent report from Moody’s, also concerned with back ended return profile given lower coupon. Gaddi setting up call with the account Monday to address concerns.

Paramax - very low delta at this point.

UBS prop - started work on Timberwolf A1, B and Point Pleasant B class this AM - they have inherited the bonds that Dillon Read took down when the deal was priced.

Elliot - looking at Timberwolf mcan AAA’s for a vehicle - would be vs senior CLO’s - they are going to give us a list of CLO’s to bid on vs Timberwolf early next week - potential size 10-15MM.

AGC - asked for and received additional information on Timberwolf today - they currently have all the information they have asked for - they are working - Pennek to follow up early next week.

DeShaw - had call to discuss Timberwolf mcan AAA – asked for and received additional information on underlying deals - working - if they care, potential size would be 25-50MM - low delta.

Harvard - evaluating Pt Pleasant A1’s vs 40-100 ABX – GS offered at pick 50bps - account needs more spread and is evaluating counter - Radka to push next week.

Polygon - continuing to work - evaluating structure - Rasi to continue pushing next week.

Vanderbilt - evaluating for CDC bucket of their deal - very limited room in bucket so would be small (5-10MM) if they care.

Confidential Treatment Requested by Goldman Sachs
529

Footnote Exhibits - Page 4600

Hyperion - looking on amount of credit support and moody's report on correlation and CDO's - lke discount dollar price - Writing continuing to push

Carlyle - still need lookthru analysis that strats are working on

Highland - still need lookthru analysis that strats are working on

Old Lane - still need lookthru analysis that strats are working on

Sandelman - still need lookthru analysis that strats are working on

Lehman AM - still need lookthru analysis that strats are working on

Updated feedback sheet below:
<< File: Book1.xls >>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001980639
Footnote Exhibits - Page 4601

From: Ruberti, Timothy
Sent: Monday, July 16, 2007 1:59 PM
To: Bash-Foley, Stacey; Lehman, David A.
Subject: Carlyle

I've been speaking with scott at carlyle about junior AAA CDO paper and he is starting to see value here - will show him the GBC deal and walk through it - he seems to have an appetite for risk at these levels which is good but the flip side is he thinks the market is "unhinged" w/ respect to valuations, i.e. everything trading on technicals and no one talking about fundamentals - one point, he is going to want to look at the TROW fund on a fundamental basis with a lot of supporting

runs to back up any additional mark downs we have - telling him we are busy when it comes to month end and we can’t run that analyst because we are resource-constrained will not be good enough!

This should be a double-edged sword that we can use to move risk however, so I hope we see this approach as a net positive.

Timothy Ruberti
Goldman, Sachs & Co.
85 Broad Street 1 New York, NY 10004
Tel: 212-377-4663 | Cell: 917-
e-mail: timothy.ruberti@goldman.com

Disclaimer:
This material has been prepared by the Fixed Income Trading/Sales Department and is not the product of the Fixed Income Research Department. This material is for your private information, and we are not soliciting any action based upon it. Certain transactions, including those involving futures, options and high yield securities, give rise to substantial risk and are not suitable for all investors. Opinions expressed are our present opinions only. The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. We, or persons involved in the preparation or issuance of this material, may, from time to time, have long or short positions in, and buy or sell, securities, futures or options identical with or related to those mentioned herein. Further information on any of the securities, futures, or options mentioned in this material may be obtained upon request.
Footnote Exhibits - Page 4602

From: Huang, Vivien
Sent: Monday, May 07, 2007 1:08 PM
To: Brazil, Alan; Wises, Elisha
Cc: Haz, Shihomi; Tuck, Michael; Primer, Jeremy
Subject: RE: Timberwolf. Number should be 23.4. I am assuming a 50% severity of the single-a odd that has a writedown. oil analysis

Just want to give a little color, at Lehman (internal strictly), the analysis is more bottom-up. what I mean is that the individual subprime or other class bonds are analyzed under typical HPA scenarios, and then the cashflow gets sum up. Usually, the implied HPA of the worst priced Aaa index will be used as a "market implied mean HPA" to reflect the market price.

1. A standard deviation (historical national) will be applied on top of the implied HPA assuming very simplistic normal distribution
2. Individual bonds are modeled as subprime bonds call up subprime. CMBS bonds call up CMBS. Cashflows are run under the multiple HPA scenarios. So triggers are ran operations, the curves are based on model projection (and the triggers on top is, originator, vintage, etc.)
3. Cashflow summed up based on the CDO structure - this is in development and manual and not fully scalable the last time I heard it.
4. CDO cashflow under HPA scenarios. That's roughly how the mortgage side go about it.

As an aside, the results look even better if you break the 2005 production home equity into buckets based on FICO. Without bucketing, roughly 27% of the underlying ref obs going all the way down through to the cla of the cal of the cal of the cla of the cla, etc. are home equity of 2006 or later production based on our weighting framework. This is better than the original analysis, which had that number at 34%. Even better is that only 5% of the ref obs are truly subprime (FICO 625 and lower). So, defaulting all of these does not hit the 22 attachment point.

In terms of telling customers, I prefer to give them the general idea of the trade. Then give them the excel spread sheet with our info on ref obs and let them draw their own conclusions.

From: Wises, Elisha
Sent: Monday, May 07, 2007 1:48 PM
To: Brazil, Alan
Cc: Haz, Shihomi; Tuck, Michael; Primer, Jeremy; Huang, Vivien
Subject: RE: Timberwolf. Number should be 23.4. I am assuming a 50% severity of the single-a odd that has a writedown. oil analysis

Thanks Alan, this is a really good contribution to analysis we're doing internally as well regarding the pricing of Timberwolf and our structured product positions.

A couple of questions:
1) Can you explain how you got to 24/26 write-down based on 25/36 names defaulting?
2) What do you mean when you say that the triggers could provide added support beyond excess interest?
3) How did you come up with 4% enhancement at the Timberwolf and underlying CDO levels?

The trickier part about sharing this analysis with others is that it shows just how rudimentary our own understanding of these positions actually is. Are other dealers running cashflows for clients on this type of product? (Including Vivien for her thoughts on what Lehman did).

Confidential Treatment Requested by Goixon GS MBS-E-004735378
< File: timberwolf and a.xls >>

Here is a spreadsheet with our latest info on timberwolf plus some simple analysis. I basically default every 2006 vintage subprime regardless of rating, and assume losses of 50% of face. I then look at those losses versus an adjusted 60% credit support to see if there are losses. This brute force approach defaults 25 of the 55 names, or 45%. This results in a writedown at the timberwolf level of 24%. Although the attachment point of the a2 is 20%, the effective attachment is higher, again using another 4% or 24% of ce or attachment for the a2. (BTW this 4% only reflects the value of the excess interest, the oc trappers would also give added support).

This is pretty much the same results before. Just hitting the low fico 2006 and just the baa1 and below would look better. Of course if you start getting complete writedowns of 2006, 2005s will take some hits as well. However, I think assuming all 2006 vintage baa1 and below get written down offsets that factor. However, this framework can provide some rudimentary analysis for us and for customers. Once we send them the spreadsheet with the information they can do this themselves.
Also, when u talk to john/stuart, it wud be good to know what (if anything) they r getting away

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1691 | Mob: 917-
edailylehman@gp.com

----- Original Message ----- 
From: Maltozzi, George ( GJW )
To: Lehman, David A.
Subject: RE: Basis conference call follow-ups

thanks

-----Original Message----- 
From: Lehman, David A. [mailto:david.lehman@gp.com]
Sent: Monday, 9 July 2007 12:20 AM
To: Maltozzi, George
Subject: Re: Basis conference call follow-ups

I'm going to elevate to Sparks, legal and compliance to take their temp on what we can/cannot provide

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1691 | Mob: 917-
edailylehman@gp.com

----- Original Message ----- 
From: Stuart Fowler <sfowler@basicicap.com.au>
To: Maltozzi, George ( GJW ); John Murphy <jmurphy@basicicap.com.au>; Peter Dobson <pdobson@basicicap.com.au>; Sahil Ichch discountedv@basicicap.com.au>
Cc: Clee, Benjamin; Ego, Jonathon; Lehman, David A.

Confidential Treatment Requested by Goldman Sachs

Wall Street & The Financial Crisis
Report Footnote #2467

GS MBS-E-011183045
George

How many times do we have to request data points and scenarios by email. These were read out to us on the call and it was agreed that GS would send them through. I am getting wary of continually hearing about transparency and yet an obvious avoidance of ‘putting things to paper’.

Stuart Fowler
Managing Director
Bain Capital
Disclaimer:
This message is subject to the disclaimer on http://www.basicsap.com.au/emaildisclaimer.htm

----- Original Message -----
From: Maltese, George <george.maltese@gbhm.com>
To: John Murphy <jmurphy@ basicsap.com.au>; Stuart Fowler <stfowler@basicsap.com.au>; Sahil Sachdev <sachdev@basicsap.com.au>
Cc: Case, Benjamin C - GS <Benjamin.Case@gs.com>; Eipl, Jonathan M - GS <Jonathan.Eipl@gs.com>; Lehman, David A - GS <David.Lehman@gs.com>
Sent: Sat Jul 07 01:39:13 2007
Subject: Re: Basis conference call follow-ups

Hi John,

Thanks for your notes.

As represented on the call on the morning, we want to be as helpful as possible here. However, as per the call, the trading desk does not necessarily use a single scenario to determine the marks. To that end, I would recommend doing a follow up call to go through the marking methodology for the remaining securities (and/or quot over the securities discussed on the call).

Does Monday morning SVD time work? If not, please indicate a time/day that does.

Thanks and kind regards,

George

George Maltese
Structured Asset Solutions
Tel: 041 202 1437
Mbl: 01 51 000 1437

----- Original Message ----- 
From: John Murphy <jmurphy@basicsap.com.au>
To: Maltese, George <george.maltese@gbhm.com>; Stuart Fowler <stfowler@basicsap.com.au>; Sahil Sachdev <sachdev@basicsap.com.au>
Cc: Case, Benjamin C - GS <Benjamin.Case@gs.com>; Eipl, Jonathan M - GS <Jonathan.Eipl@gs.com>; Lehman, David A - GS
Sent: Fri Jul 06 23:26:31 2007

Confidential Treatment Requested by Goldman Sachs
Subject: RE: Basis conference call follow-ups

George

Further to my previous email.....can you double check with your guys in NY that they are preparing the balance of the information requested.

Regards
John

John Murphy
Director - Funds Management
Direct: 03 - 9734 5514
Mobile: 0418 86 7163
www.basiscep.com.au

Disclaimer:
The information contained in this email may be confidential and/or privileged. If you are not the intended recipient, you are prohibited from using, disclosing, copying or distributing the information in or attachments to this email in any way. Internet communications are not secure and therefore Basis Capital does not accept legal responsibility for the contents of this message. Although Basis Capital operates anti-virus programs, it does not accept responsibility for any damage whatsoever that is caused by viruses being passed.

-----Original Message-----
From: Maltese, George [mailto:george.maltese@grjw.com]
Sent: Friday, 6 July, 2007 7:49 AM
To: Peter Dobson; Stuart Fowler; Sahil Sachdev; John Murphy
Cc: Case, Benjamin; C - GS; Eppi, Jonathan M - GS; Lehman, David A - GS
Subject: Re: Basis conference call follow-ups

Please find attached some analysis prepared by the trading desk following the call yesterday.
We would like to discuss this further with you this morning, including next steps regarding the margin call. Does Sam do 24/7 time work?

George

George Maltese
Structured Asset Solutions
Tel: 612 3229 1472
Mob: 61

----- Original Message ----- 
From: Case, Benjamin <benjamin.case@gs.com>
To: Maltese, George
Cc: Lehman, David A - GS; Eppi, Jonathan M - GS
Sent: Fri Jul 06 10:36:13 2007
Subject: Basix conference call follow-ups

Attached is the information requested by Basis on our call last night.
<<Materials for Basis.xls>>
<<Materials for Basis.xls>>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-011183047
Footnote Exhibits - Page 4807

From: Blobaum, Matthew C.
Sent: Tuesday, July 31, 2007 7:29 AM
To: Lahman, David A.
Subject: FW: Requesting Compliance Approval

Attachments: ABX_TAEX Price Movements.ppt; Timberwolf Market Report Final v3.xls

This is what we plan on sending across - in addition to the public press releases from bloomberg. The column that has marks/pw is being removed.

From: Garriotte, Nathan
Sent: Monday, July 30, 2007 10:54 PM
To: Blobaum, Jordan
CC: Blobaum, Matthew C.; Sharma, Keyurand
Subject: Requesting Compliance Approval

Jordan,

Please find attached Timberwolf materials we were intending to send to Hurrik Life Bank in response to their request by EOB tomorrow. Please let us know if you had any comments. I will follow up with you tomorrow.

Thanks,

Malvish Garriottte
CDO Structuring/Modeling & Principal Investments
Fixed Income, Currency and Commodity Division
Goldman, Sachs & Co.
Ph: 212-902-6649
Fax: 212-902-6650
mgarriottte@goldman Sachs.com

Confidential Treatment Requested by Goldman Sachs
And we should be clear that the information we are providing is not our pricing methodology but rather some shots on the current market.

---- Original Message ----
From: Lee, Jay
Sent: Tuesday, August 07, 2007 7:37 AM
To: Osawa, Funiko
Cc: Lehman, David A.; Cheudhary, Omair; Sugicka, Hirotaka
Subject: RE: Tokyo star

Osawa-san,

To clarify, we understand there is urgency from the client’s end and we’re seeing something in writing by this Wednesday morning, and we are working to provide something.

However, under no circumstances are we going to be able to provide materials specific to Timberwolf and Point Pleasant, or even use the word “mark” in written materials. Instead, what we are working to provide is an introduction to some of the frameworks that can be used to analyze different types of CDO’s. Everything will be described in general terms, and if what we provide is too vague or general, the medium for further clarification must be oral, not written.

---- Original Message ----
From: Lehman, David A.
Sent: Tuesday, August 07, 2007 7:51 PM
To: Osawa, Funiko
Cc: Cheudhary, Omair; Lee, Jay; Sugicka, Hirotaka
Subject: RE: Tokyo star

Our marking policy is a market price (bid and/or offer) -- We do not have a written methodology for pricing and we should tell Tokyo Star as such.

We are able to provide context to our prices verbally, including any CDO trades we have done (in the underlying deals or the CDO itself if we have traded), and the move in the underlying portfolio MPM, etc.

Also important to note that our marks are actionable bid and offer prices for cash (bid) or credit (offer) whereas it is not clear if our competitors marks are indicative of the current market prices.

Is there a reason Tokyo Star wants something in writing vs getting on the phone or discussing verbally?

Can discuss more live.

---- Original Message ----
From: Osawa, Funiko
Sent: Tuesday, August 07, 2007 3:37 AM
To: Lehman, David A.
Subject: Tokyo star

As Jay has asked you before, we really appreciate if you can provide us some explanatory script about MPM. Thank you always!
From: Mahon, Donald
Sent: Wednesday, July 11, 2007 9:40 AM
To: Lehman, David A., Sparks, Daniel L
Cc: Swenson, Michael
Subject: Re: CDO Marks

Please notify me if this is a problem to execute in a timely manner.

----- Original Message ----- 
From: Lehman, David A. 
To: Sparks, Daniel L; Mahon, Donald 
Cc: Swenson, Michael 
Subject: FW: CDO Marks 

-----Original Message-----
From: Lehman, David A.
Sent: Wednesday, July 11, 2007 9:13 AM
To: floco-ops-cdopricing; floco-tb-intlops-tna
Cc: Saunders, Tim; Norwest, Jordon; Lin, Shelly; Outekirk, Gerald; Ha, Philip; Swenson, Michael; floco-mtqver-traders
Subject: CDO Marks

Given the current market environment, we would like our bid for size for CDO valuations to be MAX $3mm for AAX to A, and $1mm for A and below

No valuations should go out with a bid for $10mm

Call me with any questions

Goldman, Sachs & Co.
90 Broad Street, New York, NY 10005
Tel: 212-902-2821 | Fax: 212-693-9681 | Mob: 517-

David Lehman
Fixed Income, Currency & Commodities

Disclaimer:
This material has been prepared specifically for you by the Goldman Sachs Fixed Income Structured Product Group (SPG) Trading Desk and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Additionally, the material is based on certain factors and assumptions as the SPG Trading Desk may in its absolute discretion have considered appropriate. There can be no assurance that these factors and assumptions are accurate or complete, that estimated returns or projections can be realized, or that actual returns or results will not be materially different than those presented. Certain transactions, including those involving ABS, CMBS, and CDOs, may give rise to substantial risk and are not suitable for all investors. The SPG Trading Desk may have accumulated long or short positions in, and buy or sell, the securities that are the basis of this analysis. The SPG

Confidential Treatment Requested by Goldman Sachs
--- Original Message ---
From: Lehman, David A.
Sent: Monday, July 16, 2007 1:28 PM
To: Bieber, Matthew G.; Case, Benjamin
Cc: Swenson, Michael
Subject: RE: PTPLS and TWOLF

Beau/Matt - We need to create an "unwind" spreadsheet for these deals...one where we can input CDS spds/prices and liability prices so we can determine if unwinding these deals makes sense.

Can you run point? Thk Dave has worked on this before, maybe him w Connie and Nicya?

Pls confirm

---

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street  |  New York, NY 10004
Tel: 212-902-2927  |  Fax: 212-902-1951  |  Mob: 917-

e-mail: david.lehman@gs.com

---

Confidential Treatment Requested by Gold

---

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2473

GS MBS-E-001913775
From: Lehman, David A.
Sent: Tuesday, July 17, 2007 10:27 PM
To: Sparks, Daniel L
Cc: Swenson, Michael
Subject: Fw: Timberwolf Analysis
Attachments: TWOLF Analysis Sheet 2007-07-16.xls

---- Original Message ----
From: Mishra, Dave R.
Sent: Tuesday, July 17, 2007 7:10 PM
To: Lehman, David A.; Case, Benjamin; Sieber, Matthew G.; Gpal, Jonathan
Cc: Swenson, Michael; Reed, Christopher J
Subject: Timberwolf Analysis

Attached is an updated version of the call analysis. I approximated the upfront on the assets using the spread information in TAP. Let me know if you have any comments/changes. Will discuss with team tomorrow.
Footnote Exhibits - Page 4615

From: Toure, Fabrice
Sent: Thursday, April 05, 2007 9:06 AM
To: Maltese, George (GSJW); Carret, Paul (GSJW); Rolleston, Jeremy (GSJW)
Subject: RE: ABACUS 07-AC1

Georges, Paul, Jeremy, any thoughts on this? We can swap into AUD if needed. Please let me know if you have accounts we can show this to, thanks.

From: Toure, Fabrice
Sent: Thursday, April 05, 2007 10:27 AM
To: Maltese, George (GSJW); Carret, Paul (GSJW); Rolleston, Jeremy (GSJW)
Cc: for: request of aud

Gentlemen, we are getting good traction on the ABACUS 2007-AC1 transaction, the $5bn notional memo ARS CDO transaction with a portfolio consisting of 100% Ba1 rated RMBS bonds selected by ACA. We have gotten orders for approx $20bn of mazaa AAA CLNs and expect to price a first top of this transaction early next week. This transaction should be a good product to show your customers, to the extent they are not participating in Anderson Mezz, Timberwolves or Point Pleasant. I have attached below some key selling points for this trade, as well as price thoughts below:

Supersenior tranche (45-100 tranche, funded or unfunded): 45bps
Aaa/Aaa (5-45 tranche, funded or unfunded): L+85bps
Aaa/Aaa (21-35 tranche, funded or unfunded): L+150bps
Aaa/Aaa (16-21 tranche, funded or unfunded): L+175bps
Aaa/Aaa (11-16 tranche, funded or unfunded): L+250bps
Aaa/Aaa (10-13 tranche, funded or unfunded): L+500bps

Below are some key marketing points for the trade. Let's discuss what customer we can show this transaction to, thanks.

***INTERNAL ONLY***

ABACUS 2007-AC1 – 2bn synthetic RMBS CDO

OVERVIEW
• Static portfolio consisting entirely of "Basel"-rated midprime/subprime RMBS selected by ACA
• ACA is one of the largest and most experienced CDO managers in the world (see Overview of ACA below)
• Goldman’s market-leading ABACUS program currently has $3.1bn in outstanding CLNs with strong secondary trading desk support

RELATIVE VALUE
• Reference Portfolio more conservative (360 WARE) than traditional mezz ABS CDOs (400+550 WARE)
• Capital Structure less aggressive than traditional mezz ABS CDOs (see comp below)
• Attractive spreads relative to ABS CDOs currently in the market (see comps below)

PORTFOLIO
• Granular portfolio of 90 equally-sized reference obligations selected by ACA
• Static reference portfolio fully-identified, with no reinvestment, remarket, substitutions or discretionary trading
• 100% Ba1 Moody’s-rated subprime/midprime (360 Moody’s WARE)
• Diversified across 10 shives and 24 servicers
• Portfolio attached below

<< File: Portfolio Information 20070328.xls >>

Confidential Treatment Requested by Goldman Sachs

US MBS-E-002011152

Permanent Subcommittee on Investigations
Wall Street & the Financial Crisis
Report Footnote #2483
### Footnote Exhibits - Page 4616

**Structure**
- Tranches offered across the entire capital structure
- Sequential Principal Paydown Sequence: no subordination is leaked to residual tranches under any circumstance
- No upfront structuring fees
- Investors will not bear MAC and/or available funds cap risk
- Projected 4- to 5-year tranche MAs at the reference portfolio pricing speed
- Tranches available in unfunded CUS format as well as in IIR format (in all major currencies)

*Term sheet attached below*

<< File: ABACUS 2007-AC1 Preliminary Term Sheet 20070308.pdf >>

**Overview of ACA Management LLC**
- One of the largest CDO managers in the world
- Currently manages approximately $11bn in collateral assets across 22 CDOs
- ACA team consists of 30 dedicated credit and portfolio management professionals with an average 15 years of relevant experience
- Portfolio Selection Fee structure aligns manager's incentive with investors'

**CDOs:**
- **ABACUS 2007-AC1**
  - TABS 2007-7
  - Alpha Met X CDO
  - BAC 2007-1

<table>
<thead>
<tr>
<th>Pricing Date</th>
<th>Portfolio Advisor</th>
<th>Feb-07</th>
<th>Feb-07</th>
<th>Jan-07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACA</td>
<td>Tricadia</td>
<td>Countrywide</td>
<td>Declaration</td>
</tr>
<tr>
<td>Underlying Portfolio</td>
<td>MARR</td>
<td>360</td>
<td>450</td>
<td>525</td>
</tr>
<tr>
<td>Lowest Moody's:</td>
<td>Ba3/B2</td>
<td>462</td>
<td>462</td>
<td>462</td>
</tr>
<tr>
<td>% MIC:</td>
<td>0%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>% ARS CDOs:</td>
<td>0%</td>
<td>27%</td>
<td>15%</td>
<td>3%</td>
</tr>
<tr>
<td>% RMBS:</td>
<td>100%</td>
<td>78%</td>
<td>85%</td>
<td>97%</td>
</tr>
<tr>
<td>Reinvestment Period:</td>
<td>N/A</td>
<td>4 years</td>
<td>4 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Principal Repayments:</td>
<td>Sequential</td>
<td>Mod Pro-Rata</td>
<td>Mod Pro-Rata</td>
<td>Mod Pro-Rata</td>
</tr>
<tr>
<td>Interest Shortfall:</td>
<td>N/A</td>
<td>Fixed Cap</td>
<td>Fixed Cap</td>
<td>Fixed Cap</td>
</tr>
<tr>
<td>Capital Structure</td>
<td>Aaa/AAA C/E:</td>
<td>21.0%</td>
<td>25.7%</td>
<td>21.0%</td>
</tr>
<tr>
<td></td>
<td>Aa2/AA C/E:</td>
<td>19.0%</td>
<td>15.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td></td>
<td>Aa3/AA C/E:</td>
<td>13.0%</td>
<td>16.0%</td>
<td>16.0%</td>
</tr>
<tr>
<td></td>
<td>A2/A C/E:</td>
<td>10.0%</td>
<td>11.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Pricing</td>
<td>Aaa/AAA Pricing:</td>
<td>L+55</td>
<td>L+44</td>
<td>L+48</td>
</tr>
<tr>
<td></td>
<td>Aa2/AA Pricing:</td>
<td>L+45</td>
<td>L+55</td>
<td>L+58</td>
</tr>
<tr>
<td></td>
<td>Aa3/AA Pricing:</td>
<td>L+25</td>
<td>L+60</td>
<td>L+23</td>
</tr>
</tbody>
</table>

**Expected Timing:**
Price Guidance & Bid - w/o March 5, 2007

**Disclaimer:**
This memorandum is solely for internal use in the offices of Goldman, Sachs, and copies of this memorandum or any portion thereof may not be made available to customers or otherwise distributed outside the offices of Goldman, Sachs. If applicable, the information is also

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002011153
Footnote Exhibits - Page 4617

From: Staffan, Edward [staffan@gsc.com]
Sent: Tuesday, February 27, 2007 9:33 AM
To: Ostrom, Peter L.
Subject: FW: ABACUS 2007-AC1, Ltd. -- New Issue Announcement (144a/RegS)

I do not have to say how bad it is that you guys are pushing this thing.

Ed Staffan
2/2/07-6:19Z
GSC Partners

This email is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Dissemination, distribution or copying of this message or the information contained herein by anyone other than the intended recipient is prohibited. This email is intended for informational purposes only and is not a solicitation, offer or recommendation regarding the purchase or sale of securities or related financial instruments. If you have received this message in error, please notify the sender by reply email and delete this message. Thank you.

From: Willing, Curtis [mailto:curtis.willing@gs.com]
Sent: Tuesday, February 27, 2007 9:22 AM
Subject: ABACUS 2007-AC1, Ltd. -- New Issue Announcement (144a/RegS)

ABACUS 2007-AC1, Ltd. -- New Issue Announcement (144a/RegS) (external)
Sole Bookrunner & Lead Manager: Goldman, Sachs & Co.
Portfolio Selection Agent: ACA Management, LLC
$2.08bn Structured Product Synthetic Real Estate CDO
(Philadelphia, PA)

<table>
<thead>
<tr>
<th>Tranche</th>
<th>5Y/10Y</th>
<th>WL(yr)</th>
<th>CapStr</th>
<th>Subord</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>N/A</td>
<td>(11.02)</td>
<td>(2.0)</td>
<td>(15.04)</td>
<td>(15.04)</td>
</tr>
<tr>
<td>B</td>
<td>(AA/AA)</td>
<td>(8.80)</td>
<td>(4.4)</td>
<td>(12.00)</td>
<td>(12.00)</td>
</tr>
<tr>
<td>C</td>
<td>(AA2/AA)</td>
<td>(4.00)</td>
<td>(4.0)</td>
<td>(10.00)</td>
<td>(10.00)</td>
</tr>
<tr>
<td>D</td>
<td>(AA/A)</td>
<td>(4.20)</td>
<td>(4.9)</td>
<td>(3.00)</td>
<td>(3.00)</td>
</tr>
<tr>
<td>First Loss</td>
<td>(NR/NR)</td>
<td>N/A</td>
<td>(10.00)</td>
<td>(0.00)</td>
<td>Call Deck</td>
</tr>
</tbody>
</table>

Attached - Term Sheet, Debt Marketing Book, Initial Reference Portfolio

<Portfolio Information 20070215 (6).txt> <ABACUS 2007-AC1 Preliminary Term Sheet 20070226.pdf>
<ABACUS 2007-AC1 Flipbook 20070226.pdf>

Expected Timing:

Confidential Treatment Requested by Goldman Sachs MBS-E-009209654
Footnote Exhibits - Page 4618

Preliminary OC - o/o March 5th
Price Guidance - o/o March 5th
Pricing - o/o March 26th

GS Structured Products Global Syndicate
Asia: Omprakash Choudhury, Joy Lee & Hirotsuka Sugioha +81 (3) 6437-7190
Europe: Mitch Repnick, Yves Ishihara & Jessica Reis +44 (0) 20 7774-3068
N. America: Bunty Bhatia, Scott Missabiker, Robert Black, Scott Walter, Tony Kim, Malcolm Mui & Russell Broccato +1 (212) 902-7665

Risk Factors: An investment in the securities presents certain risks, please see the Preliminary Offering Circular for a description of certain risk factors.

Disclaimer:
This material has been prepared specifically for you and contains indicative terms only. All material contained herein, including proposed terms and conditions are for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation. Goldman Sachs shall have no liability, contingent or otherwise, to the user or to third parties, for the quality, accuracy, timeliness, continued availability or completeness of the data and information. Goldman Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors and or counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of any kind.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. These securities are being offered by the issuer and represent a new financing. A final prospectus relating to these securities may be obtained from the offices of Goldman, Sachs & Co., 85 Broad Street, New York, NY 10004.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000209655
## Agenda

**Executive Summary**
- Evaluating Asset Classes

**Cash CDO Overview**
- Cash Collateralized Debt Obligations (CDOs)
- Cash Collateralized Loan Obligations (CLOs)

**Synthetic CDO Overview**
- Corporate Credit
- Asset Backed Securities (ABS)

**Appendix – Disclaimers & Risk Factors**
Executive Summary

- Structured products may represent an opportunity for banks to enhance yield, improve capital efficiency and diversify risk exposures.
- Financial institutions have begun to recognize the value of structured products and have been directing asset and resource allocation accordingly.
- Implementation of product efforts has been slow due to several factors:
  - Lack of internal product expertise
  - Balance sheet viewed as containing sufficient risk
  - Regulatory capital issues
  - Mark-to-market earnings volatility concerns
- Increasingly structured products are viewed as an efficient and effective vehicle to access credit:
  - Systemic exposures and managed transactions minimize need for intensive research capability while maximizing portfolio diversity
  - Attractive alternative for overly concentrated portfolios
  - Existing knowledge of MBS and ABS CDO's transferable to synthetic CDO's
  - Environment for structured products has become progressively more balance sheet and income statement friendly.
Traditional Bank Portfolios

- Banks seek to maximize investment portfolio returns subject to certain risk guidelines: liquidity, market risk, principal risk and regulatory capital.

- Banks have attempted to meet these goals through exposure to Treasuries, Agencies, Mortgage-Backed Securities (MBS), Asset-Backed Securities (ABS), Municipals and Corporates.

- Historically, banks have limited credit exposure in their investment portfolio:
  - MBS and ABS contain some consumer credit risk
  - Agency products contain limited credit risk
  - Corporate bond investment overall has been limited

- Consequently, interest rate risk has been the primary portfolio risk:
  - Upward sloping yield curves have provided alpha
  - Convexity in mortgage portfolios has enhanced yields but exposed banks to the increased volatility inherent in these products.
  - Corporate bonds fail to diversify rate risk because:
    - Limited component of bank investment portfolios
    - Only 11% of corporate bond coupon results from credit risk
    - Corporate bonds are not a source of hedge cap relief (100% risk weighting)

---

*This analysis is for illustrative purposes only, and is based solely on historical performance which may differ from actual performance. One-Jarvis 3yr CDX NA IG 4 metrics of Credit Default Swaps used for investment grade credit spreads. 3yr interest rate swap rate and 5yr CDX NA IG 4 spread of 24/500, used in conjunction with historic volatilities of 3yr interest rate swap rates and CDX NA IG spread to generate valuation volatility compositions.
CDO Product Overview

- As the structured products universe continues to expand, mortgage and corporate credit products as well as cash and synthetic CDO structures have continued to converge.

Cash CDO

Cash CLO

Synthetic CDO with ABS Assets

Synthetic CDO with Corporate Credit Assets
### Traditional Cash Flow CDO versus Synthetic CDO

<table>
<thead>
<tr>
<th>Traditional Cash CDO</th>
<th>Synthetic CDO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference portfolio typically selected and managed by third party</td>
<td>Reference portfolio can be selected and managed by third party, investor</td>
</tr>
<tr>
<td>Collateral is cash assets</td>
<td>selected or index based</td>
</tr>
<tr>
<td>Full capital structure placement</td>
<td>Reference portfolio comprised of CDS</td>
</tr>
<tr>
<td>Supply-driven distribution</td>
<td>Investor/client driven - no supply or secondary market constraints</td>
</tr>
<tr>
<td>Long only investments</td>
<td>Single tranche placement or full capital structure</td>
</tr>
<tr>
<td>Cash flow waterfall</td>
<td>Can be used to articulate long, short and long/short views</td>
</tr>
<tr>
<td>Unwind triggers</td>
<td>Direct cash flow through credit default swap</td>
</tr>
<tr>
<td>Executable in note-format only</td>
<td>No unwind triggers</td>
</tr>
<tr>
<td></td>
<td>Investment in note or swap form</td>
</tr>
</tbody>
</table>
Agenda

Executive Summary

Evaluating Asset Classes

Cashflow CDO Overview
  Cashflow CDOs
  Cashflow Collateralized Loan Obligations (CLOs)

Synthetic CDO Overview
  Corporate CDSs
  Asset Backed Securities (ABS)

Appendix - Disclaimers & Risk Factors
Evaluating Asset Classes

Overview

- Evaluating asset classes is a multi-step process that incorporates evaluation of:
  - Current yields of underlying asset class
  - Risk/return profile of underlying asset class
  - Correlation between asset classes in structured portfolio
  - Diversification/Overlap of exposure between structured credit portfolio and holdings in other portfolios
Current Yields of Underlying Asset Classes
Indicative Historical RMBS Spreads

RMBS [AAA] and [A] CDS Spreads (bp)\(^1\)

- Graph showing RMBS [AAA] and [A] CDS Spreads (bp)

RMBS [BBB] and [BBB-] CDS Spreads (bp)\(^1\)

- Graph showing RMBS [BBB] and [BBB-] CDS Spreads (bp)

\(^1\) Source: Goldman Sachs
Current Yields of Underlying Asset Classes

Indicative Historical CMBS Spreads

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002055368
<table>
<thead>
<tr>
<th>CDO Product Overview</th>
<th>Managed Investment Options</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hedge Fund</td>
</tr>
<tr>
<td>Degree of Customization</td>
<td>Some, with respect to products</td>
</tr>
<tr>
<td>Target Yields</td>
<td>Unlevered</td>
</tr>
<tr>
<td>Use of Leverage</td>
<td>Generally none</td>
</tr>
<tr>
<td>Mark-to-Market Risk</td>
<td>Repo, Leverage</td>
</tr>
<tr>
<td>Liquidity</td>
<td>Low</td>
</tr>
<tr>
<td>Management Fees</td>
<td>Only usually minimum with some notice</td>
</tr>
<tr>
<td>Upfront Costs</td>
<td>1.0%, 2.0%</td>
</tr>
</tbody>
</table>
CDO Product Overview

Investment Decision

The decision to invest in a CDO consists of three primary considerations:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Manager</th>
<th>Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Risk/return characteristic</td>
<td>- Degree of management activity</td>
<td>- Use of leverage</td>
</tr>
<tr>
<td>- Diversification</td>
<td>- Experience</td>
<td>- Position in capital structure</td>
</tr>
<tr>
<td>- Timing</td>
<td>- Strategy</td>
<td>- Fee arrangement</td>
</tr>
<tr>
<td>- Volatility</td>
<td>- Investor communication</td>
<td>- Liquidity</td>
</tr>
<tr>
<td>- Overall portfolio allocation and correlation with rest of portfolio</td>
<td>- Infrastructure</td>
<td>- Desired risk/return profile</td>
</tr>
</tbody>
</table>
Cashflow Collateralized Debt Obligations (Cash CDOs)

Structure:

- Cash CDOs are a new asset class, but rather a vehicle for investing in a given asset class and...
### Overview

#### Why Do CDOs Exist?

<table>
<thead>
<tr>
<th>Debt Investors</th>
<th>Equity Investors</th>
<th>Collateral Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Exposure to asset classes that may not otherwise be available or practical</em></td>
<td><em>Arbitrage between asset yield and financing cost</em></td>
<td><em>Assets under management</em></td>
</tr>
<tr>
<td><em>Customized risk profile</em></td>
<td><em>Non-recourse, term financing</em></td>
<td><em>Longer term mandate than typical accounts</em></td>
</tr>
<tr>
<td><em>Attraction yields relative to comparably rated securities</em></td>
<td><em>High current cash flow</em></td>
<td><em>Access to different investor base</em></td>
</tr>
<tr>
<td><em>Underlying portfolios selected and underwritten by Goldman and respected collateral managers or investors</em></td>
<td><em>Low correlation with other alternative investments</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Lower management fees than other managed vehicles</em></td>
<td></td>
</tr>
</tbody>
</table>
### Overview

**Investment Decision**

The decision to invest in a CDO consists of three primary considerations:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Structure</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk/return characteristic</td>
<td>Use of leverage</td>
<td>Degree of management activity</td>
</tr>
<tr>
<td>Diversification</td>
<td>Position in capital structure</td>
<td>Experience</td>
</tr>
<tr>
<td>Timing</td>
<td>Fee arrangement</td>
<td>Strategy</td>
</tr>
<tr>
<td>Volatility</td>
<td>Liquidity</td>
<td>Investor communication</td>
</tr>
<tr>
<td>Overall portfolio allocation and correlation with rest of portfolio</td>
<td>Desired risk/return profile</td>
<td>Investor communication</td>
</tr>
<tr>
<td></td>
<td>Actively managed or static pool monitored for credit migration</td>
<td>Infrastructure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Depth of management team</td>
</tr>
</tbody>
</table>
CDO Product Overview
CDO Participants

**Equity Investors**
- Investment Objectives:
  - Arbitrage between asset yields and financing costs
  - High current cash flow
  - Low correlation with other alternative investments
  - Lower management fees than other managed vehicles
  - Deliver margin alpha in chosen Asset Class

**Debt Investors**
- Investment Objectives:
  - Diversification: exposure to asset classes that may not otherwise be available or practical
  - Customized risk profiles
  - Attraction yields relative to comparable rated securities

**Underwriters**
- Goldman Sachs CDO Group
- Originates, structures and places transactions backed by diversified portfolios of bank loans (Collateralized Loan Obligations) or ABS (Collateralized Mortgage Obligations)
- Franchise record year for both CDO and SP CDO issuances in 2005

**Collateral Managers**
- Naries include:
  - Carlyle Investment Management
  - New York Life Investment Management
  - Ballyrock Investment Advisors
  - Eaton Vance Management
  - Deutsche Bank
  - Company of the West

**Participants**
- Participants:
  - Pension Funds
  - Hedge Funds

- Participants:
  - Insurance companies
  - Asset Managers
  - Banks
  - Hedge Funds
## Cashflow CDO Overview

### CDO Investor Base

<table>
<thead>
<tr>
<th>Class(es)</th>
<th>Types of Investors</th>
</tr>
</thead>
</table>
| Senior Securities (generally floating rate) | - Commercial Paper Conduits/SIV  
- U.S. and Non-U.S. Banks  
- Funded Monoline |
| Mezzanine Securities           | - U.S. and Non U.S. Insurance Companies  
- U.S. and Non U.S. Banks  
- U.S. and Non U.S. Money Managers  
- Hedge Funds  
- CDOs of CDOs |
| Subordinated Equity Securities | - U.S. and Non U.S. Insurance Companies  
- Pension Funds/Endowments  
- Bank Prop Books  
- High Net Worth Individuals  
- Hedge Funds |

As the CDO market has grown, the investor base for CDO securities has increased significantly.
Cashflow CDO Overview

**Structural Diagram of a Typical Cash Flow CDO**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
<th>Flow of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximately $400,000,000 Proceeds</td>
<td>Class A Notes</td>
<td>Initial 122% vs. 119.5% Par Test</td>
</tr>
<tr>
<td>[87.5%] Senior Secured Loans</td>
<td>Class B Notes</td>
<td>Initial 103.1% vs. 100.3% Par Test</td>
</tr>
<tr>
<td>[12.5%] Second Lien Loans “Ba3 / B1” Average Quality</td>
<td>Class C Notes</td>
<td>Initial 103.7% vs. 100.0% Par Test</td>
</tr>
<tr>
<td>Weighted Average Spread: 2.45%</td>
<td>Class D Notes</td>
<td>7.50%</td>
</tr>
</tbody>
</table>

(1) Indicative only.
Growth of Primary Market Issuance

Overview and Motivation for the Bank Loan Asset Class

- The collateral for a CLO consists primarily of leveraged loans
  - Leveraged loans are syndicated bank loans made to borrowers with non-investment grade credit ratings
  - The US leveraged loan market has matured into a major capital market with strong liquidity
  - Spreads over LIBOR on B-rated leveraged loans have averaged approximately 300 bps over the last seven years
  - Default rates for leveraged loans have historically tracked significantly lower than default rates for high yield bonds
  - Recovery rates for leveraged loans have historically tracked significantly higher than recovery rates for high yield bonds
- Since its development in 1998, the US cash flow arbitrage CLO market has developed into a major market
  - US Cash flow arbitrage CLO issuance reached approximately $42 billion in the first 3 quarters of 2005
  - CLOs own an estimated 65% of the US dollar institutional leveraged loan market
## Agenda

<table>
<thead>
<tr>
<th>Executive Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluating Asset Classes</td>
</tr>
<tr>
<td><strong>Cash CDO Overview</strong></td>
</tr>
<tr>
<td>Cash Collateralized Debt Obligations (CDOs)</td>
</tr>
<tr>
<td>Cash Collateralized Loan Obligations (CLOs)</td>
</tr>
<tr>
<td><strong>Synthetic CDO Overview</strong></td>
</tr>
<tr>
<td>Corporate Credit</td>
</tr>
<tr>
<td>Asset Backed Securities (ABS)</td>
</tr>
<tr>
<td><strong>Appendix – Disclaimers &amp; Risk Factors</strong></td>
</tr>
</tbody>
</table>
Growth of Primary Market Issuance
Broadly Syndicated Loans

- A syndicated leveraged loan is one that is provided by a group of commercial or investment banks to a non-investment grade company
- A syndicated loan typically consists of:
  - A revolving credit facility (pro-rata) which allows a borrower to draw down, repay, and reborrow
  - An amortizing loan with a progressive repayment schedule
  - One or more institutional term loan tranches that have longer maturities and back-ended repayment
- As the syndicated loan market has evolved, the banks that arrange loans have increasingly sold loans to institutional investors such as CLOs and prime funds
- US dollar denominated annual new issue volume for leveraged loans

![Chart showing new issue leveraged loan volume](chart.png)

Source: Standard & Poor's, LCD Leveraged Loan Review 2006
Growth of Primary Market Issuance

**Historical Leverage Multiples**

**Average Debt Multiples of Highly Leveraged Loans**

Source: Standard & Poor's, LCD Loan Data Weekly, February 2, 2004
### Growth of Primary Market Issuance

**Bank Loan Structural Features**

- Loans possess inherent structural and credit protections that make them attractive to own in a leveraged vehicle
  - Capital structure seniority
  - Covenant and security package
- As shown in this diagram for a hypothetical company’s capital structure, loans typically represent a company’s most senior source of capital

<table>
<thead>
<tr>
<th>Senior Secured Loans</th>
<th>50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured Fixed Rate Debt</td>
<td>15%</td>
</tr>
<tr>
<td>Equity</td>
<td>30%</td>
</tr>
</tbody>
</table>
Growth of Primary Market Issuance

Spread Averages

- Loans have demonstrated characteristics over the long-term that make them attractive to own in a leveraged vehicle like a CLO
  - Attractive risk-adjusted returns
  - Low volatility
  - Low total return correlation with other asset classes
  - High recovery rates

S&P/LSTA Leveraged Loans Index, Average Spreads by Rating, January 1998 to 2006

Source: S&P/LSTA, LCD Loan Rate Weekly, Feb. 2, 2006
Growth of Primary Market Issuance

Historical Default Rates

- Exhibit below shows the trailing 12-month default rates for bank loans and high-yield bonds.
- Default rates have been significantly lower in the bank loan market vs the high-yield market.

**Trailing 12-Month Issuer-Based Default Rates, December 1998 to September 2005**

Source: S&P/LSTA, Moody's
<table>
<thead>
<tr>
<th>Transaction Features</th>
<th>Cash Flow CLO Deal</th>
<th>Collateralized Debt Obligation (CDO)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>Cash Flow CLO deals depend on the ability of the collateral to generate sufficient current cash to pay interest and principal on rated notes issued by the CLO.</td>
<td>Overcollateralization is measured on the basis of the portfolio's par value. If overcollateralization tests are failed, then cash flows are diverted to pay interest and principal to CDO holders.</td>
</tr>
<tr>
<td><strong>Rating Focus</strong></td>
<td>The ratings are based on the effect of collateral defaults and recoveries on the timely payment of interest and principal from the underlying portfolio.</td>
<td>Overcollateralization is measured at the CDO level and the portfolio level.</td>
</tr>
<tr>
<td><strong>Manager Focus</strong></td>
<td>Manager focuses on controlling defaults and recoveries.</td>
<td>No restrictions on selling credit risk or liquidating CDO collateral.</td>
</tr>
<tr>
<td><strong>Structural Protection</strong></td>
<td>No forced collateral liquidations.</td>
<td>There are no limitations on portfolio trading.</td>
</tr>
<tr>
<td><strong>Diversity and Concentration Limits</strong></td>
<td>Very strict — often no more than 2% per obligor and no more than 10% per industry category.</td>
<td>No restrictions on selling credit risk or liquidating CDO collateral.</td>
</tr>
</tbody>
</table>

Transaction Features

Working Example: Funding Arbitrage of a Cash Flow CLO

- High current cash flow for the equity is generated by the leveraged spread differential between the portfolio return and the cost of financing and management fees.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CLO</td>
<td>74.0%</td>
</tr>
<tr>
<td>Expected Losses</td>
<td>0.50%</td>
</tr>
<tr>
<td>Amortized issuance</td>
<td>-0.25%</td>
</tr>
<tr>
<td>Ongoing Expenses</td>
<td>-0.35%</td>
</tr>
<tr>
<td>Spread Differential</td>
<td>0.72%</td>
</tr>
<tr>
<td>Leverage Multiple</td>
<td>10.7X</td>
</tr>
<tr>
<td>Leverage Spread</td>
<td>7.70%</td>
</tr>
<tr>
<td>Undleveraged</td>
<td>L=122%</td>
</tr>
<tr>
<td>Current Cash Pay</td>
<td>L=9.96%</td>
</tr>
</tbody>
</table>

Portfolio Spread: 2.50%
Financing Spread: -0.48%
Current Pay Management Fee: -0.50%
Expected Losses: 0.50%
Amortized Issuance Expenses: -0.25%
Ongoing Expenses: -0.35%
Spread Differential: 0.72%
Leverage Multiple (1.50X): 10.7X
Leveraged Spread: 7.70%
Undleveraged Investment: L=122%
Current Cash Pay: L=9.96%
Transaction Overview

- [XYZ CLO Ltd.], will be a $500 million CLO consisting of a diversified portfolio of senior secured and second lien loans
- The portfolio consists of collateral which is rated at least B3 or B-, with an average rating of B1/B2
- Senior Fee: [15] bps of Portfolio Balance, paid senior to the Class A Notes
- Subordinated Fee: [35] bps of the Portfolio Balance, paid senior to the Equity. Unpaid amount accrues at LIBOR + 3%
- Incentive Fee: [25] bps of the Portfolio Balance, but payable only after the Subordinated Securities have achieved an internal rate of return of 12%
# Agenda

<table>
<thead>
<tr>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
</tr>
<tr>
<td>Evaluating Asset Classes</td>
</tr>
<tr>
<td><strong>Cash CDO Overview</strong></td>
</tr>
<tr>
<td>Cash Collateralized Debt Obligations (CDO)</td>
</tr>
<tr>
<td>Cash Collateralized Loan Obligations (CLO)</td>
</tr>
<tr>
<td><strong>Synthetic CDO Overview</strong></td>
</tr>
<tr>
<td>Corporate Credit</td>
</tr>
<tr>
<td>Asset Backed Securities (ABS)</td>
</tr>
<tr>
<td><strong>Appendix – Disclaimers &amp; Risk Factors</strong></td>
</tr>
</tbody>
</table>
Synthetic CDO Overview

- CDOs are not an asset class.
- CDOs are a technology – a combination of derivatives and structured finance technology – applied to an asset class.
- CDO technology enables market participants to build customized investments to meet return objectives subject to risk tolerances.
- Credit portfolios tend to have asymmetric risk/return profiles due to idiosyncratic risk.
- Structured credit investments create systemic risk/return profiles as credit events decrease subordination before resulting in actual losses.
- Highly rated structured credit investments may provide for more efficient use of regulatory capital than comparably rated single name investments.
- Structured credit investments provide exposure to a variety of asset classes and may serve as a good source of diversification.
- Synthetic structured credit investments enable instant ramp up of assets and are not subject to supply constraints of the cash market.
Synthetic CDO Overview

- A synthetic CDO is an arrangement whereby the losses on a portfolio of CDSs are allocated among various participants according to specified priorities.
- Synthetic CDOs are a derivative extension of cash CDOs and have seen a large increase in volume over the past several years.
- A synthetic CDO combines the cash CDO securitization technology with credit derivative hedging technology.
- It retains the structure of a cash CDO but eliminates the need for tranches to absorb losses.
- The synthetic CDO is directly linked to the performance of the underlying reference portfolio and is rated or unrated.

Similar to a cash CDO, we can create tranches with different ratings by allowing different tranches to assume losses in a given order:

- The Equity tranche assumes the first losses on the reference portfolio, up to its tranche size. It is the riskiest tranche and requires a higher coupon.
- The mezzanine tranche assumes losses up to its tranche size. It is less risky and requires a lower coupon.
- The senior tranche assumes any remaining losses on the reference portfolio. It is therefore the safest part of the capital structure and receives the lowest coupon.

Transactions are documented using standard ISDA terms and credit losses on the reference portfolio are determined in accordance with ISDA credit derivative definitions.
Diversification

- Structured credit/product investments are available on a variety of asset classes:
  - Corporate credit
    - Investment grade
    - High yield
  - Emerging markets
  - Residential Real Estate Securities (RMBS)
  - Asset-Backed Securities (ABS)
  - Commercial Real Estate Securities (CMBS)
  - Collateralized Debt Obligations (CDOs)
Credit Derivatives Market Evolution
103% Growth in 2005

The credit derivative market is expected to grow to over $23.5 trillion in 2006.

Credit Derivatives Outstanding Notional

Credit Default Swaps

*Most Frequently Used Credit Products*

- Not surprisingly, the most actively used credit derivative products are credit default swaps.
- The introduction of credit derivative indices has been a major development and now account for 11% of the market.

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Proportion of notional value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit default swaps</td>
<td>51%</td>
</tr>
<tr>
<td>Synthetic CDOs (partial and full capital)</td>
<td>16%</td>
</tr>
<tr>
<td>Index Trades</td>
<td>11%</td>
</tr>
<tr>
<td>Credit Linked Notes</td>
<td>6%</td>
</tr>
<tr>
<td>Asset Swaps</td>
<td>4%</td>
</tr>
<tr>
<td>Total Return Swaps</td>
<td>4%</td>
</tr>
<tr>
<td>Credit Spread Options &amp; Swap Options</td>
<td>3%</td>
</tr>
<tr>
<td>Basket Products</td>
<td>4%</td>
</tr>
<tr>
<td>Equity Linked Credit Products</td>
<td>1%</td>
</tr>
</tbody>
</table>

Credit Default Swaps
Disaggregating Credit-Risky Bonds

- Given lack of development of a corporate repo market, cash credit markets have always been "sticky"
- Long/less long mentality
- Cash credit products embed several risks, including interest rate and credit risk
- Credit derivatives enable market participants to isolate the components of credit risk
- A credit default swap (CDS) allows investors to express long and short views on single-name credits and serves as the fundamental building block in structured credit

Illustrative only - diagram not to scale

- Bonds/loans are physical IOUs
- Government bonds are considered credit risk free
- Credit risky bonds, therefore, trade at a yield premium to government bonds to compensate for risk of default
- The CDS market focuses on trading the credit default risk premium
Structured Credit Tranches

Subordination and Tranche Size

- Structured credit relies on two key principles:
  - Subordination
    - The measure of losses that must occur within a portfolio before a tranche is at risk to loss
  - Tranche size
    - Reflects the notional (value-at-risk) of a structured credit investment
- In this example, the first loss tranche size is $100mm
- $100mm of reference portfolio losses would need to occur before the second-loss tranche is subject to loss
- Investors can thus create "credit enhanced" credit exposure through the use of subordination
- Tranche size is also a measure of leverage
  - For example, an investor may wish to invest $200mm into the same 10% first loss tranche and thus would reference a portfolio of $2bn rather than $1bn
- Combined with tranche size, varying levels of subordination enable investors to tailor both the structural leverage and the risk/return profile of their investment
Synthetic CDOs

Structure

- Investors customize tranche risk/return profile by specifying tranche subordination and tranche size
- Investors can create rated "credit enhanced" credit exposure through the use of subordination
  - In this example, the AAA rated tranche subordination is 10% ($100mm)
  - $100mm of reference portfolio losses would need to occur before the AAA tranche is subject to loss
- Tranche size is a measure of leverage
  - In this example, the AAA rated tranche size is 3% ($30mm)
  - Once portfolio losses reach 10% ($100mm), the tranche can withstand an additional 3% ($30mm) portfolio losses before exhaustion
Synthetic CDOs

How can we sell a single tranche?

- What happens to the rest of the capital structure? Who owns the equity?
- When a dealer executes a single tranche deal, they decompose the risk into a sensitivity to each of the underlying credits (the "delta").
  - Dealers will execute delta hedges on each of the names in the reference portfolio at the time they trade the tranche.
  - By only ramping up the risk associated with the tranche we place, we are able to execute single tranches without placing the entire capital structure.
Credit-Linked Notes
Transaction Structure Overview

- A special purpose vehicle (SPV) issues notes to the investor.
- The SPV uses the proceeds of the notes to purchase investment-grade (IG) collateral and receives the Collateral Coupon.
- The SPV enters into a credit swap with Goldman Sachs (GS).

Legend:
- — Cash Flow
- — Contingent payment

Note:
1. All losses are assumed to be as noted in the table.
2. Credit swap losses are paid to Goldman Sachs as outlined in the description of collateral at par.
## Concerns Around Credit Resolved

<table>
<thead>
<tr>
<th>Traditional reasons to limit credit exposure</th>
<th>Structured credit resolves past issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of internal expertise and infrastructure required for corporate credit analysis</td>
<td>Systemic risk exposure achieved utilizing existing knowledge of structures</td>
</tr>
<tr>
<td>View balance sheet as already containing sufficient credit risk</td>
<td>Negative correlation to mortgage products may provide needed asset class diversity</td>
</tr>
<tr>
<td>Regulatory capital requirements have traditionally limited the ability to efficiently gain systemic credit exposure (corporate bonds '100% risk weighing')</td>
<td>Capital efficiency achieved through ability to invest in rated securities with enhanced returns</td>
</tr>
<tr>
<td>Introducing credit to portfolio may cause earnings-based mark-to-market volatility</td>
<td>FASB amendments may allow tranche notes to be classified as Available for Sale securities¹</td>
</tr>
</tbody>
</table>
Synthetic CDOs

Relative Value & Yield Enhancement

- Structured credit product investments produce higher yields than comparably rated single name investments through structural leverage and exposure to "systemic" rather than idiosyncratic risk.
- Structured credit market may enable managers to articulate views without taking as much idiosyncratic-risk credit risk and may potentially generate benefits from these non-economic driven techniques.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002055424
Systemic vs. Idiosyncratic Risk

- Tight spread and yield environment has triggered an extensive search for yield
- Increased single name exposure to higher yielding credits may increase idiosyncratic and asymmetric risk
- Structured credit/product investments rely on two key principles:
  - Subordination: measure of losses that must occur within a portfolio before a tranche is at risk to loss
  - Tranche size: reflects the notional (value-at-risk) of a structured credit investment
- Through the use of subordination investors can take highly rated exposure to lower rated collateral and articulate a systemic as opposed to idiosyncratic view on credit
Trading Flexibility

- The Manager will have the flexibility to trade the underlying Reference Portfolio – and trading will affect the subordination of the tranches
  - Typical trading is defensive – taking out wide spread names and replacing them with tighter names. These trades will result in a reduction in subordination
  - Manager can also take a view on the credit by taking out a tight spread name and replacing with a wider name for credits where the Manager believes that the new credit is trading wider than is reflected by the fundamental credit risk
    - These trades will result in an increase in subordination
- Trades will be subject to the following restrictions
  - Turnover Limit
    - Regional and industrial diversity requirements, spread distribution test. These are designed to ensure that the overall correlation and spread distribution of the portfolio remain broadly the same
    - S&P CDO Monitor Test – S&P require the S&P CDO Monitor to be run before each trade to ensure that the rating of each tranche is not adversely affected by the trade
    - Minimum Subordination for the lowest rated tranche of [2.0%]
    - Maximum increase in subordination from spread widening trades equal to [1.0%]
- There will not be any coverage tests as the Manager’s incentives are aligned with those of Investors through ownership of the notes
- Typical Trade Flow
  - Manager will have the ability to price check the levels quoted by GS with other dealers and trade at best market prices
Replacement Procedure Flow Chart

Manager notifies GS of a potential single tranche reference portfolio substitution or removal

GS quotes adjustment factors, and reference entity CDS spreads (old and new credit)

GS confirms that the replacement conditions are met, and assists in verifying that rating agency requirements are satisfied

Manager receives CDS quotes from other dealers on specified old and new reference entities

Assuming replacement conditions/rating agency requirements are met, the Manager may transect the reference portfolio substitution based upon GS or third-party dealer quoted CDS price

The single tranche confirmation is amended to reflect the change in the reference portfolio and subordination
Effect of Trading on Subordination

- Any change in subordination will be determined by the change in spread of the Reference Entity being removed, and the new Reference Entity (determined at the time of switch), obligor percentage and an adjustment factor:
  \[ \text{Subordination reduction} = (\text{Spread Old} - \text{Spread New}) \times \text{Adjustment Factor} \times \text{Obligor Percentage} \]

- What is the rationale behind Adjustment Factors?
  - When Manager trades a name, this changes the value of the portfolio credit default swap
  - In order for the substitution cost to be zero, the value of the portfolio credit default swap must remain the same — hence subordination must be changed
  - The Adjustment Factor is determined at the time of trading such that the net change in value is zero

- What determines the Adjustment Factor?
  - Adjustment Factors are determined by a number of variables that also determine the value of a tranche:
    - Time to Maturity
    - Absolute spreads and distribution of spreads in portfolio
    - Subordination of tranches
    - Recovery rates and recovery volatilities
    - Correlation between credits

- Since Adjustment Factors depend on a number of variables, it will be impossible for GS to predict what the Adjustment Factors will be at the outset of the transaction - this will be driven by the market conditions at the time of trading - hence, Adjustment Factors will be quoted at the time of the trade
Trading Example

- One year after the Effective Date, the spread of a Reference Entity has widened significantly since the original inclusion of that Reference Entity in the Portfolio. Manager is concerned about the increased potential for that Reference Entity to suffer a Credit Event and so wishes to replace that Reference Entity for a new Reference Entity which is trading at a much tighter spread.

- The following conditions exist:
  - Offered side spread of Reference Entity to be replaced = 600 basis points
  - Bid side spread of Replacement Reference Entity = 100 basis points
  - Let the Adjustment Factor = \([5.1]\)
  - All trading tests are satisfied
  - The average spread of the portfolio is \([1.00\%]\)
  - No defaults nor earlier trading since transaction start, hence subordination of mezzanine tranches = 5.1%

- Given the above, all the conditions necessary for Replacement have been met. The adjustment to the subordination is then calculated as follows:
  - SpreadOld = 600 basis points
  - SpreadNew = 100 basis points
  - Adjustment Factor = \([5.1]\)
  - Adjustment Percentage = \((5.00\% - 1.00\%) \times [5.1] \times 0.67\% = 0.17\%\)
  - New Subordination for mezzanine = 5.10\% - 0.17\% = 4.93\%
Case Study: Yankee Bank

- **Account Profile:** Yankee bank looking to purchase assets for securities arbitrage vehicle

- **Organizational Structure:**
  - Pre-transaction: Two synthetic CDO investments at home office level
  - Post-transaction: Decision making capabilities assumed by regional office assuming transactions fall within predetermined guidelines designed by credit committee

- **Portfolio:**
  - 188 name, 100% IG, globally diversified portfolio
  - Trade executed with significant subordination above Moody’s AAA for purposes of improved ratings stability

- **Process:**
  - GS worked with regional and home office teams and gained CFO approval
  - Client did not apply fundamental analysis to specific credits but rather worked within predefined parameters for portfolio characteristics
  - Client sought wider spectrum of decision making authority for future transactions

- **Conclusion:** Client has now executed the first in a series of trades for 2008
Agenda

Executive Summary

Evaluating Asset Classes

Cash CDO Overview
- Cash Collateralized Debt Obligations (CDOs)
- Cash Collateralized Loan Obligations (CLOs)

Synthetic CDO Overview
- Corporate Credit
- Asset Backed Securities (ABS)

Appendix - Disclaimers & Risk Factors
Overview of Structured Product Synthetics

- Structured product synthetics are credit derivatives referenced to a single underlying structured product security or to a basket of underlying structured product securities
  - Prime, Alt-A and Subprime RMBS
  - CMBS
  - Consumer ABS
  - Cash CDOs
- Market activity has been concentrated in real estate-related sectors of the structured finance market (i.e., RMBS and CMBS)
- The structured product synthetics market is expected to continue to exhibit rapid growth over the next few years, consistent with the trend line in the corporate credit derivatives market
- Structured product synthetics consist of:
  - Single-name CDS: Credit default swap (CDS) on a single reference obligation allowing investors to go long or short credit risk on a specific structured finance security synthetically
  - Basket/Index Trades: CDS on an unlevered basket of underlying reference obligations – equivalent to a basket of single-name CDS
  - Levered Synthetics: single tranche synthetic structured product CDOs backed by a portfolio of single-name structured product CDS, enabling investors to gain exposure to structured product cashflows in a levered synthetic fashion

Please see the draft transaction Confirmation for full details of trade mechanics. All materials contained herein are for discussion purposes only and will be superseded by full legal documentation in the event the parties decide to enter into any transaction.
Overview of Structured Product Synthetics

The Basics

- Basics of structured product synthetics
  - Long credit (self protection) or short credit (buy protection)
  - CDS trade references a specific CUSIP or basket of CUSIP's
  - Traded generally remain outstanding to the term of the underlying reference obligation
  - National balance is not constrained by the size of the cash security, and amortizes in parallel with the reference security

- Trade details are documented in a confirmation
  - Confirm details credit events, settlement mechanics, etc. of trade
  - ISDA released a standardized confirm for trading RMBS and CMBS reference obligations in June 2005 (updated in January 2006)

- Documents needed to trade
  - Legal
    - ISDA Master Agreement for derivative trades and related supporting documents
    - Credit Support Annex
    - CDS confirm (for each trade)
  - Credit
    - Credit lines; Margin is required initially and ongoing based on the mark-to-market of the contract
    - Counterparty suitability

Please see the draft implementation for full details of trade's mechanics. All materials contained herein are for discussion purposes only and will be superseded by full legal documentation in the event the parties decide to enter into any transaction.
Overview of Structured Product Synthetics
Structured Product Single Name CDS Sample Terms

Underlying
- Designated specific reference obligations along with the initial face amount

Payments
- Fixed payments (paid by protection buyer): CDS premium, Act/360 basis, paid monthly / quarterly
- Floating payments (paid by protection seller): Upon the occurrence of a credit event, the applicable settlement amount
- Additional fixed payments (paid by protection buyer): Upon the occurrence of a reimbursement of any prior floating payments, the applicable reimbursement amount

Please see the draft transaction confirmation for full details of trade mechanics. All materials contained herein are for discussion purposes only and will be superseded by full legal documentation in the event the parties decide to enter into any transaction.
Overview of Structured Product Synthetics
Structured Product Single Name CDS Sample Terms (cont)

Notional Balance
- Notional balance is adjusted as follows:
  - Reduced by amortizations on the reference obligations
  - Reduced by writedown amounts and principal shortfalls
  - Reduced by physical settlement
  - Increased by writedown reimbursements

Credit Events Settlement Amount
- Failure to pay principal Percent of class principal not paid x notional
- Writedown Percent of class written down x notional
- Downgrade to CCC / Caa3 Physical settlement only
- Optional physical settlement after any credit event

The PAUG includes a provision for giving an option to the protection buyer to terminate
the contract in part or in whole by delivering the reference obligation. This feature, called
the "Physical Settlement Option," is triggered by any credit event

Please see the draft transaction confirmation for full details of trade mechanics. All materials contained herein are for discussion purposes only and will be
superseded by full legal documentation in the event the parties decide to enter into any transaction.
Overview of Structured Product Synthetics
Structured Product Single Name CDS Sample Terms (cont)

Interest Shortfalls
Should the reference obligation experience interest shortfalls, the CDS premium payable by potential buyer will be offset in part or in whole by such shortfall. Unpaid CDS premium can be reimbursed should deferred interest on reference obligation be repaid.

Coupon Step-up
A coupon step-up can be triggered for certain securities if such security is not called before a certain date before its final maturity. If the Step-up provisions in a PAUG CDS are elected, the protection buyer is given the option to terminate the contract if the coupon step-up occurs on the reference obligation to avoid paying higher premium. If the option is not exercised, the CDS contract will continue and the premium will be raised by an amount equal to the related step-up.

Please see the draft transaction confirmation for full details of trade mechanics. All materials contained herein are for discussion purposes only and will be superseded by full legal documentation in the event the parties decide to enter into any transaction.
Overview of Structured Product Synthetics

What is an Interest Shortfall?

- An interest shortfall occurs when current scheduled interest is not paid on the reference obligation.
- Interest shortfalls can be driven by either credit problems on the assets underlying the reference obligation or by caps embedded in the structure.
- For subprime RMBS and CMBS reference obligations, coverage of interest shortfalls by the protection seller can take the form of one of the following options:
  - **Cap Applicable - Fixed Cap**: Interest shortfall capped at the amount of CDS premium owed by the protection buyer in any period. Under this option, protection seller will not have to go out-of-pocket to cover interest shortfalls.
  - **Cap Applicable - Variable Cap**: Interest shortfall capped at an amount equal to LIBOR plus the CDS premium owed by the protection buyer in any period. Under this option, protection seller may have to go out-of-pocket to cover interest shortfalls.
  - **Cap Not Applicable**: Interest shortfall uncapped at the full coupon on the reference obligation. This trade can only be executed at a CDS premium rate equal to the margin above LIBOR or the associated benchmark rate in the coupon and therefore would likely involve upfront payments by either buyer or seller. Under this option, protection seller may have to go out-of-pocket to cover interest shortfalls.
- The specific form of the interest shortfall reimbursement amount can be selected by the 2 parties in the CDS transaction.
- Subject to pricing differences, based on the amount of interest shortfall risk covered.
- GS has observed meaningful two-way flows under the Fixed Cap option.
- Both the ABX.HE and CMX indices are Fixed Cap Applicable.

Please see the draft transaction confirmation for full details of trade mechanics. All materials contained herein are for discussion purposes only and will be superseded by full legal documentation in the event the parties decide to enter into any transaction.
### Overview of Structured Product Synthetics

**Credit Events and Settlement Mechanics**

<table>
<thead>
<tr>
<th>Credit Event</th>
<th>Settlement Method</th>
<th>Applicable Structured Product Ref Obs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to Pay Principal (FTPPI): Usually occurs at the final maturity date of the reference obligation or upon liquidation of the related deal</td>
<td>Cash Settlement of principal shortfall; Optional Physical Settlement</td>
<td>All</td>
</tr>
<tr>
<td>Writedown: Occurs when the reference obligation is written down (or implicitly written down), often from realized losses</td>
<td>Cash Settlement of write-down amount; Optional Physical Settlement</td>
<td>RMBS, CMBS, CDO</td>
</tr>
<tr>
<td>Distressed Ratings Downgrade: Either Moody’s, S&amp;P, or Fitch downgrades the reference obligation to CDD (or its equivalent) or lower, or removes its public rating</td>
<td>Optional Physical Settlement</td>
<td>All excluding CMBS</td>
</tr>
<tr>
<td>Failure to Pay Interest (FTPI): Failure to pay scheduled interest for a specified number of months (i.e., 3 months for credit cards, 24 months for CDOs)</td>
<td>Cash Settlement equal to loss amount determined via dealer poll; Optional Physical Settlement</td>
<td>All excluding RMBS, CMBS</td>
</tr>
</tbody>
</table>

*Please see the desk transaction Confirmation for full details of trade mechanics. All materials contained herein are for discussion purposes only and will be superseded by full legal documentation in the event the parties decide to enter into any transaction.*
The New ABX/CMBX Indices

- CDS IndexCo
  - Owns and maintains the DJ CDX family of credit default swap (CDS) indices
  - Between $25 and $50 billion of CDX notional volume traded daily
  - Introduced second generation products such as index tranches and index options

- CDS IndexCo will apply a defined set of rules in order to construct a portfolio representative of each structured product sector's current market
  - ABX.HE began trading on January 19, 2005, and CMBX.NA on March 7, 2006

The ABX and CMBX Indices

Source: Goldman Sachs, ABX HE Launch Presentation: ABX Indices: The New US Asset Backed Credit Default Swap Benchmark Indices (CDS IndexCo LLC)

Note:
1. ABX, ABX.HE, and CMBX.NA are service marks of CDS IndexCo LLC and have been licensed by Goldman Sachs & Co.
2. The ABX.HE and CMBX.NA Indices referenced herein is the property of CDS IndexCo LLC and is used under license. The transactions described herein are not sponsored, endorsed or promoted by CDS IndexCo LLC or any of its members, other than Goldman, Sachs & Co.
The ABX.HE and CMBX Indices

Highlights

- ABX.HE references 20 HEL ABS obligations and CMBX references 25 CMBS obligations
- The indices comprise five subindices: AAA, AA, A, BBB and BBB-
- Each subindex, in turn, includes 20 Subprime Home Equity bonds or 25 CMBS securities
  - The reference obligations in each subindex comprise bonds at different rating levels
  - Bonds in each subindex are selected from the same set of reference entities
- Every six months, the Indices will be reconstituted using the same criteria
- On January 19, 2006, the ABX.HE began trading
  - As of March 27, we estimate that more than $30.0bn of trade notional has been executed on the ABX.HE indices
  - Goldman has executed more than $17.0bn of trade notional
- On March 7, 2006, the CMBX Index began trading
## The ABX.HE and CMBX Indices

### Participants

<table>
<thead>
<tr>
<th>Asset Managers</th>
<th>Hedge Funds</th>
<th>Prop Trading Desks</th>
<th>Corporate Treasury</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Quick credit exposure / hedging</td>
<td>- Relative value trades</td>
<td>- Relative value trades</td>
<td>- Easy access to diversified US subprime home-equity exposure</td>
</tr>
<tr>
<td>- Liquidity management tool</td>
<td>- Directional trading / macro view</td>
<td>- Directional trading</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Originators</th>
<th>Correlation Trading Desks</th>
<th>Dealers</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Quick credit exposure / hedging</td>
<td>- Suitable for portfolio hedging</td>
<td>- Benchmark for product innovation</td>
</tr>
<tr>
<td>- Credit diversification tool</td>
<td>- Easy ramp-up</td>
<td>- Flow trading</td>
</tr>
</tbody>
</table>

**Variety of investors looking for diversified sub-prime home equity ABS or CMBS exposure**

**Sources:**
## The ABX.HE and CMBX Indices

### Construction Criteria

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>ABX.HE</th>
<th>CMBX.NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 deals in basket, with a new ABX.HE series expected to be launched approximately every 6 months</td>
<td>25 deals in basket, with a new CMBX series expected to be launched approximately every 6 months</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit Score</th>
<th>ABX.HE</th>
<th>CMBX.NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each deal must have a maximum average FICO equal to 660</td>
<td>Each tranche must have settled within 2 years of the roll date</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>ABX.HE</th>
<th>CMBX.NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each tranche must have settled within 6 months of the roll date</td>
<td>Each tranche must have settled within 2 years of the roll date</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weighting</th>
<th>ABX.HE</th>
<th>CMBX.NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference obligations equally weighted by initial par amount, with subsequent weightings evolving as a function of prepayment and credit experience of underlying transactions</td>
<td>Reference obligations equally weighted by initial par amount, with subsequent weightings evolving as a function of prepayment and credit experience of underlying transactions</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>ABX.HE</th>
<th>CMBX.NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>The pool must consist of at least 90% first lien loans</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diversification</th>
<th>ABX.HE</th>
<th>CMBX.NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Limits same originator to 4 deals</td>
<td>-Limits same state to 40%</td>
<td></td>
</tr>
<tr>
<td>-Limits master servicer to 6 deals</td>
<td>-Limits same property type to 50%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Deal Size</th>
<th>ABX.HE</th>
<th>CMBX.NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500mm</td>
<td>$700mm</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Life</th>
<th>ABX.HE</th>
<th>CMBX.NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each tranche must have a weighted average life of 4-6 years as of the issuance date (except AAA's which must be greater than 5 years)</td>
<td>With respect to CMBX NA AAA only, expected weighted average life must be greater than 4 years and less than 12 years calculated using a 0% CPY</td>
<td></td>
</tr>
</tbody>
</table>

Source: Goldman Sachs, ABX.HE Launch Presentation: ABX Indices, The New US Asset Backed Credit Default Swap Benchmark Indices (CDS Indexes); CMBX Launch Presentation: CMBX Index: The New US Commercial Mortgage Backed Credit Default Swap Benchmark Index (CDS Indexes)
## Reference Entities for the ABX.HE 06-1 Series of Indices

<table>
<thead>
<tr>
<th>Reference Entities for the ABX.HE 06-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ACE SECURITIES CORP. SERIES 2005-M7</td>
</tr>
<tr>
<td>2. AMERIQUE MORTGAGE SECURITIES INC. SERIES 2006-F11</td>
</tr>
<tr>
<td>3. AMERIQUE MORTGAGE SECURITIES INC. SERIES 2003-D2</td>
</tr>
<tr>
<td>4. BAC STRATEGISM ASSET BACKED SECURITIES 2005-HE1</td>
</tr>
<tr>
<td>5. FIRST FANNIA MORTGAGE LOAN TRUST SERIES 2005-F12</td>
</tr>
<tr>
<td>6. HOME EQUITY ASSET TRUST 2005-6</td>
</tr>
<tr>
<td>7. J.P. MORGAN MORTGAGE INVESTMENT CORPORATION SERIES 2005-GP1</td>
</tr>
<tr>
<td>8. 2000-18 MORTGAGE ASSET SECURITIES TRUST 2006-M2</td>
</tr>
<tr>
<td>9. MORGAN STANLEY MORTGAGE ASSET SECURITIES TRUST 2006-HE5</td>
</tr>
<tr>
<td>10. MCB MORTGAGE SECURITIES TRUST 2005-M4</td>
</tr>
<tr>
<td>11. MCB MORTGAGE SECURITIES TRUST 2005-M6</td>
</tr>
<tr>
<td>12. NEW CENTURY HOME LOAN CORP. SERIES 2005-4</td>
</tr>
<tr>
<td>13. NON-Agency MBS - 2005-HE1</td>
</tr>
<tr>
<td>14. STRUCTURED MORTGAGE BACKED SECURITIES 2005-M4</td>
</tr>
<tr>
<td>15. STRUCTURED MORTGAGE BACKED SECURITIES 2005-M5</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002055443
Reference Entities for the CMBX.NA.1 Series of Indices

4. BEAVERSTEAK COMMERCIAL MORTGAGE SECURITIES TRUST 2005-PWR10
6. BEAVERSTEAK COMMERCIAL MORTGAGE SECURITIES TRUST 2005-TOP20
7. CDO 2005-C01 COMMERCIAL MORTGAGE TRUST COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2005-C01
8. COMMERCIAL MORTGAGE TRUST 2005-035
9. CSFB Commercial Mortgage Trust 2006-C5
10. CSFB Commercial Mortgage Trust 2005-C6
11. OC Commercial Mortgage Corp. Series 2005-C4
12. GMAC Commercial Mortgage Securities, Inc. Series 2006-C1 Trust
13. J.P. MORGAN CHASE COMMERCIAL MORTGAGE SECURITIES CORP., SERIES 2005-CIBC13
14. J.P. MORGAN CHASE COMMERCIAL MORTGAGE SECURITIES CORP., SERIES 2005-LP4
15. J.P. MORGAN CHASE COMMERCIAL MORTGAGE SECURITIES CORP., SERIES 2005-LPS5
16. LIB/LBS COMMERCIAL MORTGAGE TRUST 2005-C5
17. LIB/LBS COMMERCIAL MORTGAGE TRUST 2005-C7
18. LIB/LBS COMMERCIAL MORTGAGE TRUST 2006-C1
19. MORGAN STANLEY CAPITAL I TRUST 2005-H27
20. MORGAN STANLEY CAPITAL I TRUST 2005-K21
21. MORGAN STANLEY CAPITAL I TRUST 2006-TOP21
22. WACHOVIA BANK COMMERCIAL MORTGAGE TRUST COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES SERIES 2005-C21
23. WACHOVIA BANK COMMERCIAL MORTGAGE TRUST COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES SERIES 2005-C22
24. MERRILL LYNCH MORTGAGE TRUST 2005-CL1
25. MERRILL LYNCH MORTGAGE TRUST 2005-CK1
Trading the ABX.HE
The Mechanics

<table>
<thead>
<tr>
<th></th>
<th>Index at 102.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Date</td>
<td>Index at 98.00</td>
</tr>
<tr>
<td></td>
<td>Index at 102.00</td>
</tr>
<tr>
<td>Trade Initiation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Implies spreads have widened</td>
</tr>
<tr>
<td></td>
<td>Implies spreads have tightened</td>
</tr>
<tr>
<td></td>
<td>Buyer pays Seller 2% x (Notional) x (Factor)</td>
</tr>
<tr>
<td></td>
<td>Seller pays Buyer accrued premium from the end of the last accrual period until the trade effective date</td>
</tr>
<tr>
<td>Trade Termination</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seller pays Buyer 2% x (Notional) x (Factor)</td>
</tr>
<tr>
<td></td>
<td>Buyer pays Seller accrued premium from the end of the last accrual period until the trade effective date</td>
</tr>
<tr>
<td></td>
<td>Buyer pays</td>
</tr>
<tr>
<td></td>
<td>Buyer pays Seller accrued premium from the end of the last accrual period until the trade effective date</td>
</tr>
</tbody>
</table>

Note: All financial information and other data shown are for illustrative purposes only and are not intended to represent an actual transaction. Source: Goldman Sachs, ABX.HE Launch Presentation: ABX Indices: The New US Asset-Backed Credit Default Swap Benchmark Indices (CDS Indexes)
## Trading the CMBX Index

### The Mechanics

<table>
<thead>
<tr>
<th></th>
<th>Each CMBX Has a Fixed Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade Date</strong></td>
<td>Index quoted higher than Fixed Rate</td>
</tr>
<tr>
<td></td>
<td>Implies spreads have widened</td>
</tr>
<tr>
<td><strong>Trade Initiation</strong></td>
<td>Buyer of protection (Index Buyer) pays the Seller of protection the difference in market value</td>
</tr>
<tr>
<td><strong>Trade</strong></td>
<td>Seller of protection pays Buyer of protection the accrued premium for the period from the end of the last accrual period until the trade effective date from the buyer of protection</td>
</tr>
<tr>
<td><strong>Termination</strong></td>
<td>Buyer of protection pays the Seller of protection the difference in market value</td>
</tr>
<tr>
<td></td>
<td>Buyer of protection pays Buyer of protection the accrued premium for the period from the end of the last accrual period until the trade effective date from the buyer of protection</td>
</tr>
</tbody>
</table>

Note: All financial information and other data shown are for illustrative purposes only and are not intended to represent an actual transaction. Source: Goldman Sachs, CMBX Launch Presentation: CMBX Indices: The New US Commercial Mortgage Backed Credit Default Swap Benchmark Indices (CDG Indexes).
ABX.HE Markets
Indicative Run on Bloomberg (as of 06/09/06)

Note: All financial information and other data shown are for illustrative purposes only and are not intended to represent an actual transaction.
CMBX Markets
Indicative Run on Bloomberg (as of 06/09/06)

Note: All financial information and other data shown are for illustrative purposes only and are not intended to represent an actual transaction.
Trading the ABX.HE and CMBX Indices

XYZ Sells Protection on $100mm on ABX.HE.A.06-1

- The Fixed Rate on ABX.HE.A.06-1 Index is 54bp per annum, payable monthly
- The mechanics described below work similarly for the ABX.HE and CMBX Indices

**Fixed Rate Payee (Protection Buyer)**
- Pays 54bp per annum monthly to counterparty on notional amount
- Notional amount will decline over time based on the reference obligations amortization
- Receives payments from the Floating Rate Payee in the event of the following:
  - Interest Shortfall (capped at fixed rate)
  - Principal Shortfall
  - Writedown

**Floating Rate Payee (Protection Seller)**
- Receives 54bp per annum monthly to counterparty on notional amount
- Notional amount will decline over time based on the reference obligation’s amortization
- Pays Fixed Rate Payee in the event of the following:
  - Interest Shortfall (capped at fixed rate)
  - Principal Shortfall
  - Writedown

- Pays in the event of the following:
  - Interest Shortfall Reimbursement Amount
  - Principal Shortfall Reimbursement Amount
  - Writedown Reimbursement Amount

Note: All financial information and other data shown are for illustrative purposes only and are not intended to represent an actual transaction.
Source: Goldman Sachs, ABX.HE Launch Presentation; ABX Indices; The New US Asset-Backed Credit Default Swap Benchmark Index (CDS IndexCo), Goldman Sachs, CMBX Launch Presentation; CMBX Indices; The New US Commercial Mortgage-Backed Credit Default Swap Benchmark Indices (CDS IndexCo)
**Index vs. Single Name Trades**

*Comparing a few features*

<table>
<thead>
<tr>
<th></th>
<th>CMBS</th>
<th></th>
<th>Subprime ABS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credit Events</strong></td>
<td>Index</td>
<td>Single-Name</td>
<td>Index</td>
<td>Single-Name</td>
</tr>
<tr>
<td>Settlement</td>
<td>FTPP, Writtendown</td>
<td>FTPP, Writtendown</td>
<td>FTPP, Writtendown, Decreased Ratings Downgrade</td>
<td></td>
</tr>
<tr>
<td>Interest Shortfall</td>
<td>Fixed Cap, Applicable</td>
<td>Fixed Cap, Variable Cap or Cap N/A</td>
<td>Fixed Cap, Applicable</td>
<td></td>
</tr>
<tr>
<td>Coupon Step-up</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>If cleanup call not exercised w/ buyer's option to terminate</td>
</tr>
<tr>
<td>Trading Quotation</td>
<td>Spread</td>
<td>Spread</td>
<td>Price</td>
<td>Spread</td>
</tr>
<tr>
<td>Accruals</td>
<td>Act/360</td>
<td>Act/360</td>
<td>Act/360</td>
<td>Act/360</td>
</tr>
<tr>
<td>Effective Date</td>
<td>T+0</td>
<td>T+3 (generally)</td>
<td>T+0</td>
<td>T+3 (generally)</td>
</tr>
<tr>
<td>Settlement Date</td>
<td>T+3</td>
<td>T+3</td>
<td>T+5</td>
<td>T+3</td>
</tr>
</tbody>
</table>
### Key Features of Trade Mechanics

#### Important Definitions, Valuable Dates and Margin Requirements

<table>
<thead>
<tr>
<th>Important Definitions</th>
<th>Margin Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade Date</strong> - the day the trader says &quot;done&quot; and trade is executed</td>
<td><strong>GS Buy Protection</strong></td>
</tr>
<tr>
<td><strong>Effective date of trade</strong> - same as trade date; when protection begins</td>
<td>Rating</td>
</tr>
<tr>
<td><strong>Effective date of index (i.e. annex date)</strong> - date the annex was initially published or revised</td>
<td>AAA</td>
</tr>
<tr>
<td><strong>Settlement date</strong> - date on which the premium is exchanged</td>
<td>AA</td>
</tr>
<tr>
<td><strong>Premium</strong> - fee exchanged when trade is initially done comprising the market value of the trade and accrued interest since last payment date</td>
<td>A</td>
</tr>
<tr>
<td><strong>Accrued Interest</strong> (in terms of premium) - interest accumulated from and including last payment date but excluding effective date of trade</td>
<td>BBB</td>
</tr>
<tr>
<td><strong>Factor</strong> - A change in the outstanding principal issuance i.e. % of principal unpaid on the reference obligation</td>
<td>BB+</td>
</tr>
<tr>
<td><strong>Initial Fixed Rate Payer Calculation period</strong> - from and including last payment date but excluding the next payment date of the bond</td>
<td>Speculative Grade</td>
</tr>
</tbody>
</table>

| **Valuable Dates** | | |
|-------------------|------------------|
| **Trade date**    | T-0              |
| **Effective date of trade** | T-0 |
| **Markit Publish date** | 24 hours or less after trade report is published (3P) |

<table>
<thead>
<tr>
<th>COLONIES</th>
<th>FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accrual Dates</strong></td>
<td><strong>Payment Delay</strong></td>
</tr>
<tr>
<td>XEX</td>
<td>25th-25th</td>
</tr>
<tr>
<td>CMX</td>
<td>25th-25th</td>
</tr>
</tbody>
</table>

(1) Source: Goldman Sachs

**Note:** All financial information and other data shown are for illustrative purposes only and are not intended to represent an actual transaction.
Credit Event (Writedown)

**XYZ Sells Protection on $100mm on ABX.HE.A.06-1**

Credit Event – Writedown

- Reference Obligation Original Factor = 1.0; Current Factor = 0.7
- A Writedown occurs on a Reference Obligation, for example, in year 3, in the amount of 1% of its current principal balance
  
  \[ \text{Writedown} = (\text{Current Factor} \times \text{Weighting} \times \text{Loss}) \times 100 \times 0.01 \times 0.035 = 0.035\% \]

- Protection Seller pays to Protection Buyer a floating amount \((0.035\% \times 100\text{MM}) = $35,000\)

- Index notional amount on which premium is paid reduces by an additional 0.035%, in addition to the principal payments of the month

- Following the Credit Event, protection seller receives premium of [70] bps on the remaining index notional amount until the earlier of the next credit event or scheduled termination

- The mechanics described above work similarly for the ABX.HE and CMBX Indices

Note: All financial information and other data shown are for illustrative purposes only and are not intended to represent an actual transaction.

Source: Goldman Sachs, ABX.HE Launch Presentation: ABX Indices: The New US Asset-Backed Credit Default Swap Benchmark Indices (CDX) Indexes

Page 4693
Evolution of Spreads for the ABX.HE Subindices\(^1\)
From 01/19/2006 to 06/09/2006

<table>
<thead>
<tr>
<th>ABX.HE BBB and BBB-</th>
<th>ABX.HE AAA and AA</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="chart1" alt="Chart showing ABX.HE BBB and BBB- spreads" /></td>
<td><img src="chart2" alt="Chart showing ABX.HE AAA and AA spreads" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ABX.HE 08-1 Spread Stats</th>
<th>ABX.HE A</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="table1" alt="Table showing ABX.HE 08-1 spread statistics" /></td>
<td><img src="chart3" alt="Chart showing ABX.HE A spread" /></td>
</tr>
</tbody>
</table>

### ABX.HE 08-1 Spread Stats

<table>
<thead>
<tr>
<th>Source: Goldman Sachs</th>
<th>Source: Goldman Sachs</th>
</tr>
</thead>
</table>

\[^1\] Source: Goldman Sachs. Indicative as of 06/09/06.
Evolution of Spreads for the CMBX Subindices
From 03/06/2006 to 06/09/2006

CMBX BBB and BBB-

<table>
<thead>
<tr>
<th></th>
<th>Open</th>
<th>High</th>
<th>Low</th>
<th>Avg</th>
<th>Curr</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>10</td>
<td>10</td>
<td>6</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>AA</td>
<td>25</td>
<td>25</td>
<td>16</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>A</td>
<td>35</td>
<td>35</td>
<td>27</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>BBB</td>
<td>76</td>
<td>70</td>
<td>61</td>
<td>67</td>
<td>70</td>
</tr>
<tr>
<td>BBB-</td>
<td>134</td>
<td>134</td>
<td>105</td>
<td>115</td>
<td>117</td>
</tr>
</tbody>
</table>

CMBX AAA and AA

CMBX A

(1) Source: Goldman Sachs; methodology at COB 8-Jun-06.
GS Transactions in ABX.HE Indices\(^1\)
From 01/19/2006 to 05/11/2006

\(^1\) Source: Goldman Sachs
Trade Ideas using the ABX.HE Indices

- Bearish view on housing/consumers:
  - Customers with this view have been selling the Index (shorting credit; buying protection) at the A, BBB, and BBB-level

- Credit steepener trades:
  - View is that credit curve will steepen with adverse developments for subprime credits
  - Fund shorts by selling protection higher in the capital structure
  - Most common: BBB vs BBB, BBB vs AAA

- Transition Management:
  - Investors with cash to invest (or risk to add) have used the index to gain exposure to home equity spreads while they ramp up single-name or cash positions
  - Investors can scale out of the index as they put new cash to work (or add risk)

- ABS Basis trades:
  - Trading single names or cash vs the Index
  - Can structure positive carry trades or express leveraged views on particular names
  - Index arbitrage

Note: Past results are not indicative of future performance.
Trade Ideas using the ABX.HE Indices

Continued

- Hedging mortgage credit risk:
  - Originators have sold the index across the capital structure to hedge their origination pipelines
  - Originators or investors with positions in residuals have sold the BBB and BBB- Indexes to mitigate risk
  - Some originators view BBB/BBB- protection as cheap to mortgage insurance

- ABX vs corporate credit:
  - Hedge funds have traded BBB/BBB- vs correlated corporate credit such as consumer portion of CDX or HVOL

ABX.HE BBB- vs OTR CDX.IG

ABX.HE BBB- vs OTR CDX.HVOL

(1) Note: results are not reflections of future performance, indicative as of this date.
Trade Ideas using the ABX.HE Indices

Continued

- ABX vs. Equities:
  - Equity accounts and macro hedge funds have used the Index (primarily BBB and BBB-) to hedge the residual risk in originator stocks
  - Short is funded by high dividend yield
  - ABX and equity housing indices such as the Philadelphia Housing Index (HGX: index) have become more correlated

![ABX.HE BBB vs S&P 500](chart)

<table>
<thead>
<tr>
<th>01-Feb-05</th>
<th>01-Mar-05</th>
<th>01-Apr-05</th>
<th>01-May-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>260</td>
<td>275</td>
<td>280</td>
<td>285</td>
</tr>
</tbody>
</table>

(i) Note: Past results are not indicators of future performance. Indicative as of 6/30/05.
Trade ideas using the ABX.HE indices

- Trading:
  - Significant interest/inquiry in trades.
  - Standardization, pricing, and liquidity should take time to evolve.

- Options:
  - Hedgers have expressed interest in options strategies to mitigate risk.
  - Similar in construction to options on CDX currently traded.
### Update on the ABX.HE Bases\(^1\)

**As of 06/09/06**

#### Indicative Basis Report\(^1\)

<table>
<thead>
<tr>
<th>Subindex</th>
<th>Index - CDS</th>
<th>CDS - Cash</th>
<th>Reference Entity</th>
<th>Index - CDS Basis for BBB</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>0</td>
<td>-11</td>
<td>ACE</td>
<td>05-HE7</td>
</tr>
<tr>
<td>AA</td>
<td>1</td>
<td>-10</td>
<td>AMSI</td>
<td>05-R1</td>
</tr>
<tr>
<td>A</td>
<td>9</td>
<td>-3</td>
<td>ARSI</td>
<td>05-W2</td>
</tr>
<tr>
<td>BBB</td>
<td>30</td>
<td>10</td>
<td>BSAERS</td>
<td>05-HE11</td>
</tr>
<tr>
<td>BBB</td>
<td>45</td>
<td>15</td>
<td>OWL</td>
<td>05-BC5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>FPMIL</td>
<td>05-F812</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>OSAMP</td>
<td>05-HE4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>HEAT</td>
<td>05-8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>JPMAC</td>
<td>05-OPT1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>LRMIL</td>
<td>05-W12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>MABIS</td>
<td>05-N2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>MLIMI</td>
<td>05-AR1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>MSAC</td>
<td>05-HE5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>NCMET</td>
<td>05-4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>RAMP</td>
<td>05-EFC4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>RASC</td>
<td>05-KS11</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SABR</td>
<td>05-HE1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SAIL</td>
<td>05-HE3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SASC</td>
<td>05-WF4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SVHE</td>
<td>05-4</td>
</tr>
</tbody>
</table>

|              |             |            | M9               | 15                       |
|              |             |            | M9               | -10                      |
|              |             |            | M8               | -15                      |
|              |             |            | M8               | 0                        |
|              |             |            | M8               | -5                       |
|              |             |            | B3               | 35                       |
|              |             |            | R3               | 10                       |
|              |             |            | B1               | -35                      |
|              |             |            | M9               | 40                       |
|              |             |            | M9               | -10                      |
|              |             |            | M9               | 10                       |
|              |             |            | D0               | 10                       |
|              |             |            | D3               | 5                        |
|              |             |            | M9               | -10                      |
|              |             |            | M8               | 5                        |
|              |             |            | M9               | -45                      |
|              |             |            | R3               | 15                       |
|              |             |            | M9               | -75                      |
|              |             |            | M9               | 35                       |
|              |             |            | M9               | 15                       |

\(^1\) Source: Goldman Sachs

Note: Past results are not indicators of future performance.
ABX.HE BBB Basis\(^1\)
As of 08/09/06

Indicative ABX.HE BBB Historical Basis\(^1\)

\(^1\) Note: Paper results are not independent of future performance, indicative as of 8 Jun 06.
CMBX BBB- Basis
As of 06/09/06

Indicative CMBX BBB- Historical Basis

1 Note: Past results are not indicators of future performance. Inclusive as of 6-June-06.
Structured Credit Tranches
Benefits of Single-Tranche Synthetic Securitizations

- Increasing liquidity in the single name CDS market enables creation of pure bespoke synthetic structured product CDOs
- Investors can build customized synthetic structured product portfolios
  - Not limited by new issuance calendar and bond allocations
  - Not limited by cash bonds in dealer inventory
  - Customized by sector (e.g., RMBS, CMBS, ABS), rating, vintage, servicer, etc.
- Investors can tranche synthetic portfolio to meet various investment objectives
  - Rating of investment
  - Degree of term leverage
  - Spread
  - Currency denomination

- Credit-linked notes issued in such synthetic transactions are usually uncapped and cannot defer interest, even though many of the underlying reference obligations may have embedded caps and/or may be permitted to defer interest
Structured Credit Tranches
Portfolio Selection Considerations

- Synthetic transactions have tended to focus on the sectors of the US structured products market that have either experienced or are expected to experience the heaviest activity in the single-name structured product CDS market
  - Prime, Alt-A and Subprime RMBS
  - US CMBS Conduits
  - Structured Product Cashflow CDOs and CLOs
  - Consumer ABS
- Most transactions are diversified across sectors
  - It is possible to structure single-sector transactions (i.e., 100% subprime RMBS)
- Portfolios referencing AAA through BB securities can be created, although the best liquidity is in the double-A through triple-B rated layer
- Most synthetic transactions focus on 2004, 2005 and 2006 vintage structured finance
- Reference portfolio can be static or dynamic, subject to constraints customized to investor requirements
Structured Credit Tranches
Tranche and Structural Considerations

- After selecting a reference portfolio (or appropriate assets in the case of a dynamic portfolio), ratings can be assigned to particular risk layers ("tranches")
- Investors can select the tranche which best meets their investment guidelines with respect to ratings and leverage
- Structure and cash flow mechanics are very similar to corporate single-tranche synthetics
- Transactions run to the legal final of the underlying reference obligations (typically 40 yrs)
  - Most tranches will have a 7-12 year expected weighted average life
  - The actual principal amortization of the transaction tracks that of the reference portfolio
  - The average life will reflect any borrower prepayments/extensions, credit performance, and the underlying structure of the reference obligations
- Tranches are usually not subject to caps which may be embedded in the underlying reference obligations, although the cost of such caps and other embedded options will be reflected in the spread of each tranche
- Most transactions include an optional call exercisable after a non-call period
- For a customized rated transaction, investment size generally needs to be $50 million or more to justify the fixed costs incurred
- Goldman can offer tranches in liquid currencies other than US dollars
## Structured Credit Tranches

### Overview of Credit-Linked Note Structure

- Investor purchases a credit-linked note (CLN) issued by an SPV issuer (the “issuer”), the proceeds of which are used to collateralize the notional amount of a credit default swap (CDS) referencing layers of risk of the reference portfolio.
- GS acts as protection buyer, while the issuer (and indirectly, the investor) acts as protection seller.
- Under the CDS, Goldman pays a running premium which covers the spread paid to the investor as well as upfront and ongoing expenses of the CLN issuer.
- Investor earns current interest at the stated floating coupon, accrued on the outstanding principal balance of the CLN.
- The junior-most tranche of CLN may have credit enhancement via a subordinated first loss amount.
- If a credit event occurs in respect of a reference obligation, a loss amount is calculated.
- Any such loss amount is deducted from the first loss amount remaining, if any, after which:
  - The principal of the junior-most CLN is written down.
  - Investor loses principal by the amount of such write down.
  - Goldman is paid protection under the CDS equal to the amount of such write down.
- CLN tranches are written-down by loss amounts in reverse sequential order of priority.
- Principal amortization (in the absence of credit events) tracks that of the reference portfolio.
Structured Credit Tranches

Example Credit-Linked Note Structure Diagram
ABACUS Program
Overview of ABACUS Transactions

- ABACUS is the GS brand name for single-tranche CLN issuances referencing portfolios comprised entirely of structured products.
- GS completed 12 pure bespoke single-tranche structured product synthetics since 2004.
- Since 2004, GS has distributed globally approximately $3.3bn of single-tranche CLNs to a variety of buy-and-hold investors seeking customized exposures to the US structured product market.
- Through CLN issuance and tranched CDS trading, GS traded approximately $21bn notional amount of structured product credit risk.
- Select sample transactions:
  - ABACUS 2005-4: $6.0bn AAA CMBS transaction
  - ABACUS 05-CB1: $750mm third party managed transaction
  - ABACUS 2005-7: $100mm levered supersenior transaction
ABACUS Program
ABACUS 2005-4: a Static “AAA” CMBS Transaction

- $6.0 billion static portfolio of 30 equally sized triple-A CMBS reference obligations
- GS issued $600mm of CLNs in six bespoke tranches rated by S&P and Moody’s
- Transaction illustrates a recurring theme of taking levered exposure to a portfolio of low leverage credit risks
- Transaction that enables investors to take exposure to the AAA US CMBS conduit market on a floating rate basis at attractive spreads compared to the underlying risk
- GS is currently working on similar transactions referencing portfolios of junior “AAA” CMBS securities and “AA” CMBS securities

Illustrative only—diagram not to scale
ABACUS Program
ABACUS 2005-2: a Diversified Single-A Multi-Sector Transaction

- $1.25 billion portfolio with 100 reference obligations
- GS issued $212.5mm of CLNs in five bespoke tranches rated by S&P and Moody's
- "A2" reference portfolio weighted average rating
- Portfolio composed of Asset-Backed (10%), CMBS (20%), RMBS (50%) and CDO Cashflow securities (15%)
- Investors take levered exposure to a diversified portfolio of single-A rated structured product securities with credit enhancement protection. Such exposure is rarely available in the cash ABS CDO market.
- Protection buyer has the right to substitute reference obligations in the reference portfolio subject to strictly defined rules customized by investors
- Substitution flexibility enables (a) GS to more easily manage its correlation book and (b) GS to pay significantly more spread to investors compared to the benchmark cash ABS CDO market.
ABACUS Program

ABACUS 2005-CB1: a Managed Subprime RMBS Transaction

- $750 million reference portfolio
- GS issued $238mm of CLNs in eight bespoke tranches rated by S&P and Fitch (excluding Super Senior, B8 – rated and first loss tranches that were not offered)
- 481 WARF Reference Portfolio (Baa2/Baa3)
- C-BASS serves as Portfolio Advisor
- The Portfolio Advisor selects, monitors the Reference Portfolio and has defensive management rights with respect to the reference portfolio
- GS is working with first tier portfolio managers to bring pure bespoke managed structured product synthetic CDO transactions in a format similar to the ABACUS 2005-CB1 transaction
ABACUS Program
ABACUS 2005-CB1: a Managed Subprime RMBS Transaction

Collateral Distribution
- RBMS - AAA: 2.0%
- ARS - Student Loan: 2.0%
- ARS - Credit Card: 3.3%
- CMBS - Credit: 16.0%
- RBMS - AAA: 74.0%
- RBMS - BB: 23.0%

Rating Distribution
- AA+: 6.0%
- AA: 1.3%
- A+: 16.7%
- A: 6.0%
- BBB+: 16.0%
ABACUS Program
ABACUS 2005-7: a Leveled Super-Senior Transaction

- First ever rated levered supersenior transaction referencing structured product credit risk
- Transaction referencing the 10% - 100% supersenior tranche off a portfolio consisting of 30 equally sized triple-A CMBS reference obligations
- AAA/AAA (S&P/Fitch)
- GS issued $130mn credit linked notes with a 10x leverage multiple, transferring the credit and spread risk of $1.3bn notional supersenior tranche
- Transaction uses spread triggers referencing the reference portfolio average CDS spread
  - If the average reference portfolio spread breaches an unwind trigger, investor can either
    - Unwind the transaction at market, or
    - Purchase additional CLNs in order not to crystallize its mark to market loss
  - Several triggers structured, which are "AAA" remote, with gradual deleveraging
- ABACUS 2005-7 enables a broad set of capital market investors to access supersenior credit risk, which used to be a risk available only to insurance companies
- GS is working with rating agencies to standardize the approach in order to replicate the levered supersenior format to other asset classes and other rating categories
Case Study: Super Regional

- **Account Profile:** Super Regional creating billion dollar structured products portfolio
- **Organizational Structure:** Asset purchasing decisions centralized under structured products portfolio management team
- **Portfolio:**
  - Purchased AAA tranche of ABACUS 2005-04
    - Static triple-A CMBS transaction
    - 30 equally weighted triple-A reference obligations
- **Process:** Decision subject to committee review
- **Transaction:**
  - Identified need to incorporate commercial real estate assets to concentrate residential exposure
  - Looked to take levered exposure to portfolio of high quality credits
- **Conclusion:** Unwound trade to capture gains via roll down benefit
Disclaimer

The information contained herein is confidential information regarding securities that may be in the future be offered by ABACUS (the "Issuer"). The information is being delivered to a limited number of sophisticated prospective institutional investors in order to assist them in determining whether they have an interest in the type of securities described herein and is solely for their internal use. By accepting this information, the recipient agrees that it will use and it will cause its directors, partners, officers, employees and representatives to use the information only to evaluate its potential interest in the securities described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this information, in whole or in part, is prohibited. Notwithstanding the foregoing, each recipient (and each employee, representative, or other agent of such recipient) may disclose to any and all other persons, without limitation of any kind, the tax treatment and tax structure of the Issuer, the securities described herein and any future offering thereof and the ownership and disposition of such securities and all materials of any kind (excluding opinions or other tax analyses) that are provided to such recipient relating to such tax treatment and tax structure. However, any such information relating to such tax treatment or tax structure is required to be kept confidential to the extent reasonably necessary to comply with any applicable securities laws, For this purpose, the tax treatment of a transaction is the purported or claimed U.S. federal income tax treatment of the transaction, and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of the transaction.

The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell any security or Instrument or to participate in any trading strategy. The information contained herein is preliminary and material changes to the proposed terms of the securities described herein may be made at any time. If any offer of securities is made, it shall be made pursuant to a definitive offering circular (the "Offering Circular") prepared by or on behalf of the Issuer, which would contain material information not contained herein and which shall supersede, amend and supplement this information in its entirety. Any decision to invest in the securities described herein should be made after reviewing the Offering Circular, conducting such investigations as the investor deems necessary or appropriate and consulting the investor's own legal, accounting, tax, and other advisors in order to make an independent determination of the suitability and consequences of an investment in the securities.

The securities described herein will not be registered under the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction and neither the Issuer nor the pool of securities held by the Issuer will be registered under the Investment Company Act of 1940, as amended. The securities offered herein will not be recommended by any United States federal or state securities commission or any other regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. The securities described herein will be subject to certain restrictions on transfers as described in the Offering Circular.
Disclaimer

HYPOTHETICAL ILLUSTRATIONS AND PRO FORMA INFORMATION

These materials contain statements that are not purely historical in nature. These include, among other things, hypothetical illustrations, sample or pro forma portfolio structures, portfolio composition, scenario analysis of returns and proposed or pro forma levels of diversification or sector investment. These hypothetical illustrations of returns illustrate a range of potential outcomes based upon certain assumptions. Such potential outcomes are not a prediction by the Issuer, Goldman Sachs or any of their respective affiliates of the performance of the securities described herein. Actual events may differ from those assumed and actual results may not be realized or materialized or those reported. Actual and realized returns may be materially higher or lower than those projected. Actual events may differ from those assumed and actual results may not be realized or materialized or those reported. Actual and realized returns may be materially higher or lower than those projected.

Actual events may differ from those assumed and actual results may not be realized or materialized or those reported. Actual and realized returns may be materially higher or lower than those projected.

Prior Investment Results

Any prior investment results or returns are presented for illustrative purposes only and are not indicative of the future returns on the securities or obligations of the Issuer.

Under no circumstances is this presentation to be used or considered as an offer to sell, or as solicitation of any offer to buy, any security. Any such offering may be made only by the Offering Circular. The information contained herein is in summary form for convenience of presentation. It is not complete and it should not be relied upon as such.

No person has been authorized to give any information or to make any representations other than those contained in the Offering Circular regarding the offering of any security described herein. An investment in the securities described herein, when and if offered, will involve substantial risk. Prior to investing, prospective investors should carefully consider the risks, which will be described in the Offering Circular, and should consult their own investment advisors, tax, legal, accounting and other regulatory advisors. Due to the risks involved in the Securities, investors should be prepared to suffer a loss of their entire investment.
Risk Factors

Prospective Investors Should Read the Offering Circular for a More Complete Description of Risk Factors Relevant to a Particular Investment

- Purchasing the Securities involves certain risks. Prospective investors should carefully consider the following factors, as well as the risk factors included in the final Offering Circular, prior to purchasing the Securities. The following is not intended to be an exhaustive list of the risks involved in the Transaction.

- The final Offering Circular will include more complete descriptions of the risks described below as well as additional risks. Any decision to invest in the Securities described herein should be made after reviewing the Offering Circular, conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the Securities.

Leveraged Credit Exposure to Reference Entities

- Investors will have leveraged exposure to the credit of a number of Reference Entities because the notional amount of the Reference Portfolio is significantly larger than the principal amount of the Notes. Following either (1) the delivery of a Credit Event Notice by Goldman Sachs in relation to a Credit Event with respect to a Reference Entity and the satisfaction of the other Conditions to Settlement or (2) removal of a Credit Risk Reference Obligation by the Portfolio Advisor and the determination of a related Discount Amount, the outstanding principal amount of the investment may be reduced. Investors in the Securities may suffer significant reductions in their outstanding principal amounts. The maximum loss for investors is the full principal amount.

No Legal or Beneficial Interest in Obligations of Reference Entities

- Participation in the Transaction does not constitute a purchase or other acquisition or assignment of any interest in any obligation of any Reference Entity. Neither the Issuer nor Investors will have recourse against any Reference Entity. Neither the Issuer nor any other entity will have any rights to acquire from Goldman Sachs any interest in any obligation of any Reference Entity, notwithstanding any reduction in the principal of the relevant class with respect to such Reference Entity. Neither the Issuer nor any investor will have the benefit of any collateral delivered by any Reference Entity or any right to enforce any remedies against any Reference Entity.
Risk Factors

Tax/Regulatory Impact

- There may be a tax or regulatory impact of investing in the Notes. Goldman Sachs does not provide any opinion on these issues. Any investor should consult with its own advisers prior to investing in the Notes.

Limited Liquidity of the Transaction

- There is currently no market for the Securities. There can be no assurance that a secondary market for the Securities will develop or, if a secondary market does develop, that it will provide the holder of the Securities with liquidity, or that it will continue for the life of the Securities. Moreover, the limited scope of information available to the investors regarding the Reference Entities, the nature of any Credit Event, including uncertainty as to the extent of any reduction to be applied to the notional amount of each class if a Credit Event has occurred and the amount of the relevant reduction in the notional amount has been determined, and the uncertainty regarding any Credit Risk Reference Obligation, including the ability of the Portfolio Adviser to remove such obligations from the referencing portfolio at any time and the extent of any reduction to be applied to the notional amount of each class if and when such Credit Risk Reference Obligations is removed, may further affect the liquidity of the Securities. Consequently, any investor in the Securities must be prepared to hold such Securities for an indefinite period of time or until final maturity.

Mark-to-Market Risk

- Investors are exposed to considerable mark-to-market volatility following changes in any of the following: spreads of the credits in the Reference Portfolio, comparable CDO spreads, ratings migration in the Reference Portfolio, ratings migration of the Securities, ratings migration of the Collateral of issuers or providers thereof, and Credit Events in the Reference Portfolio (and hence reduction of subordination). These will be reflected in mark-to-market valuations which are likely to be more volatile than an equivalently rated unsecured investment.

Credit Events may vary from Defaults

- Historical default statistics may not capture events that would trigger a Credit Event as specified under the Notes. All Credit Event definitions will be defined in the final legal documents and will be governed by the 2003 ISDA Credit Derivatives Definitions and any amendment or supplement thereto.

Credit Ratings

- Credit ratings represent the rating agencies' opinions regarding credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of defaults in market value. Accordingly, the credit ratings may not fully reflect the true risks of the Transaction. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial condition may be better or worse than a rating indicates.
Risk Factors

Rating Volatility

Rating agencies may from time to time change the ratings of the Notes (or the Reference Entities in the portfolio) even if no losses have been incurred under the notes due to changes in rating methodology or rating migration of the Reference Entities in the portfolio. Due to the leveraged nature of the transaction, the rating may be significantly more volatile than corporate debt with an equivalent credit rating.

Certain conflicts of interest relating to Goldman Sachs and its Affiliates; no reliance

Goldman Sachs does not provide investment, accounting, tax or legal advice and shall not have a fiduciary relationship with any investor. In particular, Goldman Sachs does not make any representations as to (a) the suitability of purchasing Securities, (b) the appropriate accounting treatment or possible tax consequences of the transaction as described herein (the “Transaction”), (c) the future performance of the Transaction either in absolute terms or relative to competing investments, investors should obtain their own independent accounting, tax and legal advice and should consult their own professional investment advisor to ascertain the suitability of the Transaction, including such independent investigation and analyses regarding the risks, security arrangements and cash flows associated with the Transaction as they deem appropriate to evaluate the merits and risks of the Transaction.

Goldman Sachs may, by virtue of its status as an underwriter, advisor or otherwise, possess or have access to non-public available information relating to the Collateral, the issuer(s) thereof, the Reference Entities and/or the obligations of the Reference Entities and has not undertaken, and does not intend to disclose, such status or non-public information in connection with the Transaction. Accordingly, this presentation may not contain all information that would be material to the evaluation of the merits and risks of purchasing the Securities.

Goldman Sachs does not make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Transaction and accepts no responsibility or liability therefor. Goldman Sachs is currently and may be from time to time in the future an active participant on both sides of the market and have long or short positions in, or buy and sell, Securities, commodities, futures, options or other derivatives identical or related to those mentioned herein. Goldman Sachs may have potential conflicts of interest due to present or future relationships between Goldman Sachs and any Collateral, the Issuer thereof, any Reference Entity or any obligation of any Reference Entity.

Goldman Sachs will act as the initial purchaser for all classes of Notes, and affiliates of Goldman Sachs will act as the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider and the Collateral Disposal Agent.
Risk Factors

Risks Associated with Responsibilities of the Portfolio Advisor

- The exercise of responsibilities of the Portfolio Advisor by the Portfolio Advisor, particularly in the form of credit risk remediation affecting the subordination of the Notes, can potentially (a) increase the risk of the investment by reducing the subordination and hence increase the probability of suffering an actual loss from a subsequent removal of a Credit Risk Reference Obligation or a Credit Event; (b) cause a rating downgrade of the Notes or (c) increase the mark-to-market volatility of the Notes.

Certain conflicts of interest relating to the Portfolio Advisor and its Affiliates

- The Portfolio Advisor and its Affiliates may invest or invest for the account of others in debt obligations that would be appropriate as Reference Obligations and Collateral Securities and have no duty in making such investments or to act in a way that is favorable to the Issuer or the Noteholders. The Portfolio Advisor and its Affiliates may have economic interests in, or other relationships with, issuers in whose obligations or securities are Reference Obligations and Collateral Securities.

- The Portfolio Advisor, its Affiliates or any account managed by any of the foregoing may make and/or hold an investment in an Issuer’s securities that may be pari passu, senior or junior in ranking to an investment in such Issuer’s securities made and/or held by the Issuer or in which partners, security holders, officers, directors, agents or employees of the Portfolio Advisor, its Affiliates or any account managed by any of the foregoing serve on boards of directors or otherwise have ongoing relationships. Each of such ownership and other relationships may result in securities laws restrictions on transactions in such securities by the Issuer and otherwise create conflicts of interest for the Issuer.

Reliance on Creditworthiness of the Collateral

- The ability of the Issuer of the Notes to meet its obligations under the Notes will depend on, amongst other things, the receipt by it of payments of interest and principal from the Collateral. Consequently, investors are exposed not only to the occurrence of Credit Events in respect to any of the Reference Entities and/or the removal of Credit Risk Reference Obligations from the reference portfolio, but also to the ability of the Collateral or the Issuer or provider thereof to perform its obligations to make payments to the Issuer of the Notes. Although at the time of purchase, such Collateral will be highly rated, there is no assurance that such rating will not be reduced or withdrawn in the future, nor is a rating a guarantee of future performance.
Risk Factors

Creditworthiness of Goldman Sachs

- Premium payments will be required to be made by Goldman Sachs throughout the life of the transaction. Consequently, investors are exposed not only to the occurrence of Credit Events in relation to any of the Reference Entities, but also to the ability of Goldman Sachs to perform its obligations to make payments to the Issuer of the Notes, amongst other secured parties.

Historical Performance does not Predict Future Performance of Transaction

- Individual Reference Entities may not perform as indicated by historical performance for similarly rated credits.
- Furthermore, even if future credit performance is similar to that of historic performance for the entire market, investors must make their own determination as to whether the Reference Portfolio will reflect the experience of the universe of rated credits. Hence, the frequency of Credit Events experienced under the Notes may be higher than that of historical Credit Event rates, and that of future Credit Event rates for the entire market.
- The nature of, and risks associated with, the Issuer’s future investments may differ substantially from those investments and strategies undertaken historically by such persons and entities. There can be no assurance that the Issuer’s investments will perform as well as the past investments of any such persons or entities.

Projections, Forecasts and Estimates

- Any projections, forecasts and estimates contained herein are forward looking statements and are based upon certain assumptions that the Issuer considers reasonable. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results. Accordingly, the projections are only an estimate. Actual results may vary from the projections, and the variations may be material.
Remember Paulson doesn’t really care abt us placing bbb risk. They are mostly looking at
higher rated layers of risk

----- Original Message ----- 
From: Epis, Jonathan
To: Tourse, Fabrice; fico-mg000r-dek
Subject: Re: Paulson

Guys I think we need to be more mindful of distribution effectiveness if our goal is to
place further down. So not sure aladin or dcm look highly. We know that if we show us
with gcc or hbk (not name 2) in for 15m single-a’s on the wire plus maybe
triple-A’s. This does not cannibalize our other distribution because they like those two
managers so much. Perhaps we should focus on hbk since we have lower chance to do other
stuff with them.

----- Original Message ----- 
From: Tourse, Fabrice
To: Tourse, Fabrice; fico-mg000r-dek
Subject: RE: Paulson

Am thinking also Aladin, DCM, Greywolf, and... Well, why don't we try GCC as well, I
think it's a low delta but might be worth trying. Let's brainstorm as that we can identify
a couple of managers that:

-- will be ok acting as portfolio selection agent
-- will be flexible w.r.t. portfolio selection (i.e. ideally we will send them a list of
200 bad-rated 2006-vintage RMBS bonds that fit certain criteria, and the portfolio
selection agent will select 100 out of the 200 bonds)
-- will be ok working for at most $[50K] p.a. for 3 years, given a 02m transaction where
we distribute CLNs between 5% attach and 35% detach

----- Original Message ----- 
From: Tourse, Fabrice
Sent: Wednesday, December 20, 2006 11:31 AM
To: fico-mg000r-dek
Subject: RE: Paulson

Agreed. Do we want to talk to Investec or TCW about this? Trying to figure out what
manager it makes sense to talk to... If you guys are ok, Carstia and I will flesh this
idea by Loggies and/or Lalou/Footreath to see if this makes sense

Confidential Treatment Requested by GoDms

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2496
Footnote Exhibits - Page 4731

From: Williams, Geoffrey
Sent: Tuesday, December 19, 2006 5:40 PM
To: Youre, Patricia; Epli, Jonathan; Gerst, David; ficn-mgcorg-desk
Subject: RE: Paulson

There are more managers out there than just GSC / Factor. The way I look at it, the
easiest managers to work with should be used for our own names. Managers that are a bit
more difficult should be used for trades like Paulson given how avid Paulson seems to be
(i.e. I'm betting they can give on certain terms and overall portfolio increase).

--- Original Message ---
From: Youre, Patricia
Sent: Monday, December 18, 2006 5:10 PM
To: Epli, Jonathan; Williams, Geoffrey; Gerst, David; ficn-mgcorg-desk
Subject: RE: Paulson

Do you think gsc is easier to work with than factor? They will never agree to the type of
names paulson want to use. I don't think steffini will be willing to put gsc's name at
risk for small economics on a week quality portfolio whose bonds are distributed globally

--- Original Message ---
From: Epli, Jonathan
To: Williams, Geoffrey; Gerst, David; ficn-mgcorg-desk
Sent: Mon Dec 18 16:49:15 2006
Subject: RE: Paulson

Guys -- we should be suggesting GSC

--- Original Message ---
From: Williams, Geoffrey
To: Gerst, David; ficn-mgcorg-desk
Sent: Mon Dec 18 12:48:00 2006
Subject: RE: Paulson

We already have a portfolio in front of factor; they probably will be willing to structure a
short that I believe we would want to keep for ourselves. Not sure if this is the best
fit.

--- Original Message ---
From: Gerst, David
Sent: Monday, December 18, 2006 12:44 PM
To: Gerst, David; ficn-mgcorg-desk
Subject: RE: Paulson

Spoke with Fabricio about this - he suggested Factor as a potential portfolio selection
agent since they are relatively inexpensive and easy to work with.

--- Original Message ---
From: Gerst, David
Sent: Monday, December 18, 2006 9:33 AM
To: ficn-mgcorg-desk
Subject: Paulson

Paulo called to check in; he was concerned that his comments to the engagement
letter had delayed us. I told him that the delay was still related to market conditions
and deals in the pipelines and that we still needed to discuss business proposals with legal
and rating agencies.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-003248146
Footnote Exhibits - Page 4732

Pablo also suggested that he was open to the use of a manager to select a portfolio and including some higher-rated names in the portfolio.

Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: (212) 902-4211 | Fax: (212) 296-2462
e-mail: david.gerst@gs.com

Goldman

David Gerst
Structured Products Trading

Confidential Treatment Requested by Goldman Sachs
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:  

)  

) File No. HO-10911-A

ABACUS 2007 AC-1  

WITNESS: Fabrice Toure

PAGES: 1 through 177

PLACE: Securities and Exchange Commission

100 F Street, NE, Room 4280

Washington, D.C. 20549

DATE: Tuesday, March 3, 2009

The above-entitled matter came on for hearing, pursuant to notice, at 10:18 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

APPEARANCES:

On behalf of the Securities and Exchange Commission:

CREOLA KELLY, ESQ.

JASON M. ANTHONY, ESQ.

JEFF LEASURE

REID MUOIO

Division of Enforcement

Securities and Exchange Commission

100 F Street, NE

Washington, D.C. 20549

(202) 551-4408

On behalf of the Witness:

RICHARD KLAPPER, ESQ.
Sullivan & Cromwell, LLP
125 Broad Street
New York, New York 10004-2498
(212) 558-3555

JANET BROECKEL, ESQ.
Goldman, Sachs & Co.
One New York Plaza
New York, New York 10004
(212) 902-9690

APPEARANCES (Cont.):
Also Present:
Jay Lee, SEC Intern

Redacted by the Permanent Subcommittee on Investigations

Confidential Treatment
Requested by Goldman Sachs

GS MBS 0005022786
Q: Could you again just tell us how those names were pulled together?
A: Okay. They were pulled together by, you know, through discussions, through a variety of discussions between our desk, myself specifically, and Paulson and Paolo. Pelligrini and Siian, looking at, you know, securities issued, you know, since the beginning of 2006, which had specific, you know, criteria or specific concentrations in mortgages from, you know, interest-only mortgages to, you know, mortgages with a certain loan-to-value ratio, et cetera.

BY MR. ANTHONY:
Q: And in trying to sort of narrow this universe down, what were you looking for? Sort of what was the ultimate end to try to use these characteristics to find?
A: We didn’t narrow it down. We basically took the entire universe of subprime RMBS and applied a couple filters and that was it.
Q: Okay.
A: There was no narrow down.
Q: And these filters were designed to do what?
A: Well, I believe at that time that Paulson felt that these obligations or these type of characteristics may, you
24 know, be, you know, weaker from the credit quality standpoint
25 than other obligations that did not have these
0049 characteristics.
Q. In this introductory paragraph, I guess you summarize the transaction and the offering to Paulson as protection, and the last sentence reads, Through this arrangement, Goldman is effectively working an order for Paulson to buy protection on specific AC-1 capital structure at or inside specific spread levels.

A. What did you mean by that?

Q. The last sentence.

A. Last sentence. I think the order here is not used as a sort of legal concept but more the fact that Paulson had given us the inquiry to actually buy protection on layers of risk so that it would lead to our obligations and we were working towards, you know, hedging our risk by, you know, reoffering that risk in the market.

Q. It says, At or inside specific spread levels.

A. What’s that mean?

Q. That means that Paulson hedged, you know, pricing...
objectives. They were comfortable buying protection only to
the extent that the spreads they were paying were less than a
certain level.

BY MR. LEASURE:

1 Q So did you have to match the spreads that Paulson
2 was willing to pay with the spreads at which the CDO
3 liabilities would be priced?
4 A No. In fact, I think the -- I mean, we bought
5 protection at certain spread levels and we reoffered at
6 different spread levels to --

BY MR. ANTHONY:

8 Q But your profit was the difference between those
9 two, right?
10 A The profit was the difference between those two. I
11 want to say no, because, as I mentioned, Goldman Sachs was
12 not losing money on these transactions.
13 Q Well, I mean conceivably, right? And I think that
14 point, you know, I think we've yet to establish that
15 definitively, but it's your testimony.
16 But, I mean, you obviously didn't go into this
17 transaction with the intention of losing money, right? So
18 the way in which you believed you would make money on this
19 transaction was by offering a protection to Paulson at one
20 spread and offering the protection in the market at a higher
21 spread and keeping the difference, is that right?
22 A The opposite way around. I think, you know, when
23 you say offering protection --
24 Q I'm sorry. Yes, you're right.
25 A Yes, so there was -- as far as I remember, when we

were buying protection from the market, you know, we were
hoping to reoffer that protection to Paulson at a wider
spread. It may have been at some point some, you know,
formula at which, you know, we were discussing at which level
we were going to reoffer that protection, but I don't
remember the specifics of that.
THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:  

   ) File No. HO 10911 A

ABACUS CDO 2007 AC   )

WITNESS: Paolo Pellegrini

PAGES: 1 through 207

PLACE: Securities and Exchange Commission

   3 World Financial Center

   New York, New York 10281

DATE: Wednesday, December 3, 2008

The above entitled matter came on for hearing, pursuant

to notice, at 10:11 a.m.
Diversified Reporting Services, Inc.
(202) 467 9200

APPEARANCES:

On behalf of the Securities and Exchange Commission:

JASON ANTHONY, Branch Chief
REID A. MUOIO, ESQ.
JEFFREY LEASURE, ESQ.
N. CREOLA KELLY, ESQ.
Division of Enforcement
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

On behalf of the Witness:

BENITO ROMANO, ESQ.
MEILIN KWUN GETT, ESQ.
Wilkie, Farr & Gallagher
787 7th Avenue, #2
New York, New York 10019
(212) 728 8574

STUART L. MERZER, ESQ.
Senior Vice President
Paulson & Co., Inc.
1251 Avenue of the Americas
50th Floor
New York, New York 10020
(212) 956 2054

Unsigned

PS1-Paulson-04 (Petagrin/Depo)-0002
Q. Well, we've alluded to the Abacus earlier. I wanted to sort of see if you could just tell us about the Abacus 2007 AC 1 deal. Just walk us through how it started and what you know about it.

A. I mean essentially it's the same idea. We had Credit Opportunity II, and we needed to sort of buy protection for Credit Opportunities II. We looked at what was available in the market and what Goldman told us what they would be able to do; a deal similar to the deal we had done in 2006. But they needed to have a collateral selection agent.

And essentially the idea was that even though we didn't want to have the type of sort of expense and sort of complication of a managed deal, Goldman felt that they would be more comfortable if there was a CDO manager who selected the initial portfolio with us so that there was a little more sort of due diligence done rather than simply relying on the blanket criteria that we had been able to rely on in the past.
Footnote Exhibits - Page 4743

1 BY MR. ANTHONY:

2 Q What difference did it make to Goldman? Why did
3 they want this?

4 A Well I think it was a marketing issue. So it was a
5 matter of from what I understood, sort of investors
6 feeling more comfortable if they had a collateral selection
7 agent than if they didn’t.

8 BY MS. KELLY:

9 Q How did you come to that understanding?

10 A Because the told me.

11 Q Who?

12 A I presume Fabrice.

13 Q Did he mention any particular investors or just
14 generally investors would want an agent? A portfolio
15 selection agent.

16 A He never mentioned any particular investors. So
17 let’s say it was a matter of sort of investors at that point
18 in time given market conditions. So it would be a general
19 statement.

20 BY MR. ANTHONY:

21 Q What was it about how the market had changed that
22 sort of made this more important?

23 A Well people were sort of not as sure that subprime
24 was going to do as well as they thought it was going to do
25 sort of a few months earlier. So it was harder with the

Unsigned

PSI-Paulson-04 (Pellegrini Depo)-0063
Footnote Exhibits - Page 4744

Q Then how did the inclusion of a collateral selection agent change that?
A Well because essentially having a collateral selection agent would mean that there is somebody with a reputation in the business looking at the securities and essentially agreeing to the composition of the portfolio. So I assume if you were an investor, you would take some comfort in that.

BY MR. MUOIO:

Q Now Fabricè's last name is Tourre.
A TOURRE.

Q And did you discuss with Mr. Tourre how you and the collateral selection agent would sort of collaborate in choosing the reference portfolio? What that process would be?
A Not sort of in any formal way.
Q In any way? I mean how the two of you would work together?
A I mean basically I think we had already submitted a target portfolio. So they would comment, say what they wanted to take out, take their comments and make counterproposals. It would be like an interview process until we got a portfolio that we were all satisfied with.

Q Is this the first time you sort of done something

Unsigned

PSJ-Paulson-04 (Pelligrini Depot)-0084
Footnote Exhibits - Page 4745

1 like that?
2 A Yes.
3 Q And again, this was an idea that you came up with
4 or that Mr. Tourre came up with?
5 A I think it was an idea that he came up with. I
6 think it was just a general sort of trend in the market.
7 Because people kind of liked the idea of sort of portfolio of
8 subprime mortgages, liked the idea of static portfolios and
9 sort of felt that there was still some value that could
10 be provided by traditional sort of CDO managers by helping
11 select the initial portfolio.

Redacted by the
Permanent Subcommittee on Investigations

Unsigned
PSI-Paulson-04 (Pellegreni Depo)-0035
Q. I get that. But then at some point I think, if I understood you correctly this morning, Mr. Tourre suggested that it would be easier to market or to find sort of a counterparty to your short trade if there was a portfolio selection agent involved. Right?

A. Right.
Footnote Exhibits - Page 4747

1 Q Did you ever have any sort of engagement letter
2 with Goldman that described the mechanism for your short
3 position?
4 A Yes. So I happened to have seen recently the
5 engagement letter for the first Abacus trade. I don't
6 believe there was an engagement letter for the second Abacus
7 trade.
8 Q Why is that?
9 A Because Goldman got sort of comfortable that sort
10 of it would execute. You know, they sort of didn't feel the
11 need to formalize an engagement letter.
12 Q So did Goldman and Paulson & Co. have any
13 discussions about or back and forth in terms of the language
14 of an engagement letter at all with respect to the ACA AC 1
15 deal?
16 A Sort of for the ACA transaction I'm not sure. I'm
17 not sure. I mean we definitely discussed the parameters of
18 their compensation. So we had sort of a strike level for the
19 sort of premium that we would pay on the different tranches.
20 And there was sort of a formula that tied their compensation
21 to sort of kind of the spread that they sort of presented to
22 or that they would present to us. Frankly, whether they did
23 achieve those spreads or different spreads. So once we kind
24 of agreed on those parameters, I think they were containing
25 some Excel files. I think that that was pretty much all that

Unsigned

PSI-Paulson-04 (Pellegrini Depo)-0118
was involved in the sort of discussion of fees for Goldman on this transaction.
Q. You've just been handed what's been marked Exhibit 29. For the record, I'll identify it as a one page document Bates stamped Paulson Abacus 254458. It's an e-mail from you to Shah Shu and Rob Lerner. The subject line is "Priority Task". What is this e-mail? Or what is Exhibit 29?

A. It's just sort of asking them to come up with a portfolio, as I described to you earlier, of RMBS securities issued in 2006 with more than 80% adjustable rate mortgages and with a weighted average FICO score between 600 and 650. And finally, with a deal size in excess of $750 million. And

Unsigned
the previous comment is that we got 111 million of subscriptions, so we needed to sort of buy protection to essentially invest that 111 million. And so we needed to put out a list of offers wanted in competition in addition to sending out the sort of list of obligation for sort of potential CDO similar to the one with that was later done with ACA and send them to Cohen. They are sort of three CDO managers.

Q So was this for a different deal than the one that ACA ended up being the portfolio selection agent? Or were they intentioned to be the portfolio selection agent for the Abacus deal?

A To tell you the truth, I forget now. Because I think that Cohen is actually both a broker dealer and a CDO manager. And sort of there was some sort of conversation to each of us following up. I think that Petra is one of the CDO managers to whom we were introduced by Merrill Lynch. And finally Tricadia is a unit of Mariner where I worked. And so I sent them sort of a proposed portfolio.

BY MR. ANTHONY:

Q Now this $111 million I think that you had talked about a number of times on the Opportunity Fund II was. With this much money would you be doing one CDO? Two CDOs?

A I think that this was kind of like you know, basically the idea is that with the $111 million we would be Unsigned
680

Footnote Exhibits - Page 4751

1 able to spend approximately 12% of that. So there would be
2 $13 million. So sort of any kind of transaction where the
3 cost of protection was less than $50 million a year would
4 sort of be feasible with this kind of money.
5 Q And just for the you know, a billion dollars at
6 120 something basis points was your average cost of
7 protection I think Abacus. Is that right? Roughly.
8 A I don't remember. It sounds like a reasonable
9 number.
10 Q You know, 10, $12 million a year for a billion
11 dollars of protection?
12 A Yes.
13 Q So then this implies that there is enough is
14 subscriptions for only one billion dollar CDO?
15 A Yes.
16 Q So is it fair to then say that here you're looking
17 for someone it roughly looks like it was the same time
18 that you were talking to Goldman. So you're talking to a
19 number of people about doing one CDO?
20 A Yes.
21 Q And then what was it that had you go with Goldman
22 and ACA over Cohen, Petra, Tricadia, Merrill Lynch, Morgan
23 Stanley, Deutsche Bank?
24 A As I said, ACA was the only one that kept going.
25 These kind of fell by the wayside.

Unsigned
Q: You had testified earlier that it was Goldman's idea to have a portfolio selection agent, correct?
A: Right.
Q: And you just as well could have done without one. Correct?
A: Absolutely. Yes.
Q: So why would you care if ACA relied on your analysis as opposed to their own?
A: Well because I think that if they sort of relied on our analysis essentially it would place some responsibility on us.

BY MR. MUOIO:
Q: Your portfolio analysis was designed in large part to identify bonds that weren't going to perform, right?
A: Right.
Q  Because you wanted to short those bonds?
A  Right.
Q  And as far as you were aware, the focus of ACA's
analysis of the portfolio was different, right?
A  Exactly.
Q  In fact, their aim was in many ways opposite
your's?
A  It was exactly opposite our's.
Q  They were trying to identify bonds that in their
view were going to perform.
A  Exactly.
Footnote Exhibits - Page 4754

From: Toure, Fabrice
Sent: Wednesday, December 20, 2006 6:30 AM
To: Toure, Fabrice; fic-mgcorr-desk
Subject: RE: Paulson

Am thinking also Aladdin, SRGM, Greypool, and... Well, why don't we try USC as well. I think it's a low delta but might be worth trying. Let's brainstorm so that we can identify a couple of managers that:

-- will be ok acting as portfolio selection agent
-- will not need to take risk
-- will be flexible w.r.t. portfolio selection (i.e. ideally we will send them a list of 200 Aaa-rated 2005-vintage MBS bonds that fit certain criteria, and the portfolio selection agent will select 100 out of the 200 bonds)
-- will be ok working for at most $150k p.a. for 3 years, given a $2bn transaction where we distribute CMAs between 94 attach and 95% default.

-----Original Message-----
From: Toure, Fabrice
Sent: Wednesday, December 20, 2006 11:31 AM
To: fic-mgcorr-desk
Subject: RE: Paulson

Agreed. Do we want to talk to Investec or JPM about this? Trying to figure out what manager it makes sense to talk to.... If you guys are ok, Gestin and I will flesh this idea by Logins and/or Lalo/Pentech to see if this makes sense.

-----Original Message-----
From: Williams, Geoffrey
Sent: Tuesday, December 19, 2006 1:48 PM
To: Toure, Fabrice; Egol, Jonathan; Gestin, David; fic-mgcorr-desk
Subject: RE: Paulson

There are more managers out there than just USC / Factor. The way I look at it, the easiest manager to work with should be used for our own axes. Managers that are a bit more difficult should be used for trades like Paulson gives how hard Paulson seems to be i.e. I'm betting they can give on certain terms and overall portfolio increase.

-----Original Message-----
From: Toure, Fabrice
Sent: Monday, December 18, 2006 5:30 PM
To: Egol, Jonathan; Williams, Geoffrey; Gestin, David; fic-mgcorr-desk
Subject: Re: Paulson

Do you think gc is easier to work with than factor? They will never agree to the type of names paulson want to use. I don't think steffes will be willing to put gc's name at risk for small economics on a weak quality portfolio whose bonds are distributed globally.

=================================================================
Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Egoli, Jonathan
To: Williams, Geoffrey; Gerst, David; floc-mtqgsrr-desk
Sent: Mon Dec 18 16:49:15 2006
Subject: Re: Paulson

Guys -- we should be suggesting GCC

----- Original Message ----- 
From: Williams, Geoffrey
To: Gerst, David; floc-mtqgsrr-desk
Sent: Mon Dec 18 12:46:00 2006
Subject: Re: Paulson

We already have a portfolio in front of Faktor; they probably will be willing to structure a short that I believe we would want to keep for ourselves. Not sure if this is the best fit.

From: Gerst, David
Sent: Monday, December 18, 2006 12:44 PM
To: Gerst, David; floc-mtqgsrr-desk
Subject: Re: Paulson

Spoke with Fabrice about this - he suggested Faktor as a potential portfolio selection agent since they are relatively inexpensive and easy to work with.

From: Gerst, David
Sent: Monday, December 18, 2006 9:33 AM
To: floc-mtqgsrr-desk
Subject: Re: Paulson

Fabio called to check in; he was concerned that his comments to the engagement letter had delayed us. I told him that the delay was still related to market conditions and deals in the pipeline and that we still needed to discuss his proposals with legal and rating agencies.

Fabio also suggested that he was open to the use of a manager to select a portfolio and including some higher-rated names in the portfolio.

Goldman Sachs & Co.  
85 Broad Street  New York, NY 10004  
Tel: (212) 902-4311  Fax: (212) 238-2442  
e-mail: david.gerst@gs.com

acha

David Gerst
Structured Products Trading

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002534650
Footnote Exhibits - Page 4756

From: Tauris, Fabrice
Sent: Tuesday, January 09, 2007 6:21 PM
To: Kreisman, Gail
Cc: Gest, David; fcc-mtgconc-desk
Subject: ACA

Gail, just a summary of ACA's role as "Portfolio Selection Agent" for the transaction that would be sponsored by Paulson (the "Transaction Sponsor"). Feel free to let David and I know if you have any questions.

- CDO Transaction Size: between $1bn and $2bn notional
- Reference Portfolio static, fully Identified upfront, and consisting of aprox. 100 equally-sized mezzanine subprime RMBS names issued between Q4 2005 and today. Starting portfolio would be ideally what the Transaction Sponsor shared, but there is flexibility around the names.
- Portfolio monitoring required: none
- Portfolio revaluations required: none
- Portfolio Selection Agent would be disclosed as having selected the Reference Portfolio
- Portfolio Selection Agent would not be required to retain any risk in the CDO transaction, although it would have the option to buy CDO notes/unfunded swaps that will be distributed in the market.
- Most likely to BWICs required to be run by the Portfolio Selection Agent
- Timing: the Transaction Sponsor is working under the assumption that Goldman is in the market with this transaction early February

Contemplated Capital Structure -- subject to Reference Portfolio:

- [34%]: 100% unfunded super senior tranche distributed to a super senior protection writer
- [22%]: 50% Aaa/AAA class A tranche distributed broadly on a best efforts' basis by Goldman
- [15%]: 22% Aa1/Aaa class B tranche distributed broadly on a best efforts' basis by Goldman
- [7%]: 15% Aa2/Aaa class C tranche distributed broadly on a best efforts' basis by Goldman
- [0%]: 39% pre-committed first loss

- Economics: for transactions like this, where the Portfolio Selection Agent is not required to retain any risk, we have seen fees in the order of 10bps to 20bps paid on the portfolio notional amount. For example, for the Magna-sponsored trade (ACA5 2005-ACA) for which ACA acted as portfolio manager, ACA was paid 10bps senior and 10bps subordinated (i.e., at risk fees, just above the equity) on the portfolio notional amount. In the context of this transaction, ACA should be thinking about getting paid fees in the lower end of what they have received in the past for Magna-like transactions, since there is no management requirement and the transaction is likely going to be larger than for a Magna transaction. In the context of this transaction, the portfolio selection fees will be paid in the form of a spread on the outstanding amount of the class A through class C tranches. For example, if the Portfolio Selection Agent was asking to be paid:
  - Class A Portfolio Management Fee: 0.25% p.a. (the tranche is [12%] thick)
  - Class B Portfolio Management Fee: 0.50% p.a. (the tranche is [77%] thick)
  - Class C Portfolio Management Fee: 1.00% p.a. (the tranche is [0%] thick)

This would mean that if Goldman is able to distribute 100% of the class A, class B and class C notes, the Portfolio Selection Agent would, on a blended basis, receive 0.125% p.a. on the portfolio notional. This compensation structure aligns everyone's interest: the Transaction Sponsor, the Portfolio Selection Agent and Goldman.

- The Transaction Sponsor is in discussions with a couple of potential CDO managers, and will work with the manager who will provide the most appealing economic proposal and will be able to address all the stated objectives.
Dan — per our discussion, we reached out GSC. Greywolf and ACA today re: acting as portfolio selection agent for a Paulson-sponsored trade.

1. GSC: Ed Shaffrin and Josh Blau at GSC are interested in meeting with the Paulson guys, this is likely going to happen tomorrow afternoon.

2. Greywolf: Mount and Marconi need to discuss whether the opportunity we are presenting to them is something they are interested in looking at, they are supposed to get back to me tomorrow.

3. ACA: Laura Schwartz at ACA is also interested in meeting them, this is likely going to happen early next week.
THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:  

) File No. HO-10911-A
ABACUS CDO 2007-AC  

WITNESS: Sihan Shu

PAGES: 1 through 123
PLACE: Securities and Exchange Commission
3 World Financial Center
New York, New York 10281

DATE: Thursday, December 4, 2008

The above-entitled matter came on for hearing, pursuant
to notice, at 10:07 a.m.

Diversified Reporting Services, Inc.
(202) 467-9200
APPEARANCES:

On behalf of the Securities and Exchange Commission:

JASON ANTHONY, Branch Chief

REID A. MUOIO, ESQ.

JEFFREY LEASURE, ESQ.

N. CREOLA KELLY, ESQ.

Division of Enforcement

Securities and Exchange Commission

100 F Street, NE
Washington, DC 20549

On behalf of the Witness:

MEILING KWUN-GETT, ESQ.

Wilkie, Farr & Gallagher

787 7th Avenue — #2
New York, New York 10019

(212) 728-8574

STUART L. MERZER, ESQ.

Senior Vice President

Paulson & Co., Inc.

1251 Avenue of the Americas
50th Floor
New York, New York 10020

(212) 956-2054

Also Appearing:
Q  And who selected the 90 reference credits?
A  We worked with Goldman in selecting, negotiating
what mortgage backed securities we'd like to buy protection
on.
Q  And what was your role in that?
A  I performed a collateral analysis on those
reference obligations.
Q  Can you explain that a little bit further?
A  I basically used the same database I mentioned
earlier—Bloomberg, Loan Performance and index — to look at
the collateral characteristics and collateral performance of
these mortgage backed securities and to make selections to
decide on which mortgage credit we believe will under perform
in the future is subject to higher default rates in the
future.
Q And what were the primary criteria that you were
looking for?
A The primary criteria (1) we would like to buy
protection on mortgage bonds with higher concentration in
California, Florida, Arizona, Nevada which we believe are a
bigger housing bubble than other areas in the country. We'd
like to buy protection on mortgage bonds with a higher hybrid
mortgage percentage. Because we believe these borrowers when
their mortgage resets there will be a payment chunk.
Q Are you talking about adjustable rate mortgages?
A Adjustable rate mortgages. Yes.
Q You called them something else.
A It's called hybrid because it's fixed for a couple
of years and then becomes floating.
Q Okay.
A So it's also called hybrid. But it is adjustment
rate mortgages. Yes.
Q We'd like to buy protection on mortgage bonds with
high percentage of limited documentation. Some borrowers can
prove their income when they apply for the mortgage, some
borrowers cannot. So we like to buy protection on mortgage
1. bonds where you have a higher limited documentation percentage.
2. Q And what was the end result of this analysis?
3. A The end result of the analysis is we picked some bonds we'd like to protection on.
4. Q How many?
5. A In Abacus CDO we have 90 bonds.
CONFIDENTIAL

January 1, 2007

Paulson Credit Opportunities Master Ltd.
e/o Paulson & Co. Inc.
500 Madison Avenue, 29th Floor
New York, NY 10022

Dear Sirs:

This letter (the "Letter Agreement"), when countersigned by you, will confirm that Paulson Credit Opportunities Master Ltd. ("PCO") has retained Goldman, Sachs & Co. to (1) provide credit protection on the Targeted Tranches of a portfolio of residential mortgage backed securities (each, a "Reference Obligation", and collectively, the "Reference Portfolio"), through one or more credit default swaps (each a "Back-to-Back CDS") between Goldman and certain counterparties (each such counterparty, a "Back-to-Back Protection Seller") and/or through the offering of multiple tranches of secured securities (such securities, the "Notes") of a synthetic securitization (the "CDO") that are expected to be issued from a special purpose company (the "Issuer") and (2) simultaneously sell to PCO, subject to the provisions of Paragraph 10, credit protection through one or more credit default swaps between PCO and Goldman (each, a "PCO CDS")establishing Back-to-Back CDS and/or Issuer CDS (except to the extent described in this Letter Agreement). For the purpose of this Letter Agreement, "Goldman" means Goldman, Sachs & Co. or any of its affiliates, provided however, that Goldman Sachs & Co. will guarantee the performance of this agreement by any such affiliate. Capitalized terms used herein and not otherwise defined have the meanings assigned to such terms in Annex B attached hereto.

The final terms and conditions of any Notes issued in connection with the CDO and the final terms and conditions of any Back-to-Back CDS will be set forth in complete documentation satisfactory in form and substance to Goldman and PCO.

PAULSON-ABACUS 0252738

FOIA Confidential Treatment Requested by
1. **Services of Goldman.** It is currently contemplated that, in connection with the CDO, the Issuer will undertake one or more offerings and/or placements of securities (such as “Offering”, the first such Offering, the “Initial Offering,” and the securities placed, the “Notes”), pursuant to Regulation S and/or Rule 144A, as the case may be, under the Securities Act of 1933, as amended, in the United States or otherwise. It is agreed that Goldman, subject to the conditions herein, will be offered the right to act as the sole book-running lead manager and/or fixed placement agent in each Offering. If Goldman agrees to act in such capacity, the Issuer and Goldman will enter into an appropriate form of underwriting, placement agency or other agreement relating to the type of transaction involved and containing customary terms and conditions, including provisions relating to our indemnity. Except to the extent that Goldman may separately commit to such an underwriting, placement agency or other agreement to purchase securities, there is no understanding or obligation, expressed or implied, on Goldman’s part of a commitment by Goldman to act as underwriter or placement agent with respect to any Offering or to purchase or place any securities in connection therewith and that any securities will be placed on a best efforts basis. Goldman’s execution of such underwriting, placement agency or other agreement will be subject to its complete discretion in, among other things, the underwriting and offering documentation and terms, satisfactory completion of its due diligence investigation, its internal approval processes and, of course, market conditions.

In addition, there is no understanding or obligation, expressed or implied, on Goldman’s part of a commitment by Goldman to enter into any Back-to-Back CDS and Goldman will only enter into such Back-to-Back CDS on a best efforts basis. Goldman’s execution of any documentation related to a Back-to-Back CDS will be subject to its complete discretion in, among other things, the documentation and terms, its internal approval processes and, of course, market conditions.

Subject to paragraph 2 of this Letter Agreement, the timing, amount and other terms of any issuance of the Notes or Goldman’s entry into any Back-to-Back CDS shall be determined by Goldman in its sole discretion. Goldman agrees to consult with ROD as to the timing of such issuance of the Notes or Goldman’s entry into any Back-to-Back CDS. ROD agrees to promptly provide Goldman with all relevant information regarding the timing, terms or other aspects of any such CDO transactions which may have a bearing on the marketing of the Notes or Goldman’s ability to enter into any Back-to-Back CDS.

2. **Contemplated Offering.** We understand, in connection with the CDO, that when the Issuer offers Goldman the right to act as the sole underwriter and/or sole placement agent in accordance with Paragraph 1 of this Letter Agreement, Goldman expects, subject to, among other things, the satisfactory completion of due diligence and the terms and conditions set forth in one or more placement agency agreements or other appropriate form of documentation, that it will purchase the securities issued as part of the Offering and offer them to prospective purchasers at a price to be agreed upon at the time of execution of such agreement.

FOIA Confidential Treatment Requested by Paulson & Co.

PAULSON-ABACUS 025737
The appointment of any co-managers in respect of any Offering will be subject to prior consent by Goldman.

As stated in Paragraph 1 above, PEO understands that until any such related placement or other agreement is signed, Goldman is not under any obligation, express or implied, to purchase or place securities in connection herewith. Goldman understands that the Issuer is under no obligation, express or implied, to complete an Offering until any such related placement or other agreement is signed.

In addition, as stated in Paragraph 1, PEO understands that until any such related documentation is signed, Goldman is not under any obligation, express or implied, to enter into any Back-to-Back CDS in connection herewith.

3. Issuer and its Structure: Additional Roles of Goldman. In connection with the Initial Offering of the CDO, it is anticipated that Goldman will enter into several agreements with the Issuer, including (i) a credit derivative transaction (the "Issuer CDS"), (ii) a basis swap transaction (the "Basis Swap"), (iii) a collateral put agreement (the "Collateral Put"), (iv) a collateral disposal agreement (the "Collateral Disposal Agreement"), and (v) a defensive disposition agreement (the "Defensive Disposition Agreement").

Pursuant to the Issuer CDS, it is anticipated, among other things, that:

- Goldman Sachs Capital Markets (or an affiliate thereof) will act as protection buyer (the "Protection Buyer"), buying protection on all or a portion of the Targeted Tranche;

- The Protection Buyer will make premium payments to the Issuer on an annual/semi-annual basis and will be entitled to the spread over the benchmark index for each Class of Notes, as reduced from time to time upon (1) principal repayment on any Reference Obligation (to the extent the cumulative principal repayments exceed the Instruction Date Payment, as set forth in Annex A) of the related Targeted Tranche immediately prior to such determination), (2) Credit Events with respect to any Reference Obligation (to the extent the cumulative Loss Amounts exceed the related Targeted Tranche Attachment Point as set forth in Annex B), immediately prior to such determination, and (3) any Partial Optional Redemption or partial redemption, in whole or in part, of the Notes;

- The nominal amount of each tranche will be reduced in sequential order of priority in connection with the amortization of the Reference Portfolio and the nominal amount of each tranche will be reduced in reverse sequential order of priority in connection with Credit Events related to the Reference Portfolio;

FOIA Confidential Treatment Requested by Paulson & Co. PAULSON-ABACUS 025738
• The Protection Buyer will make an upfront payment to the Issuer in order to cover, among other things, upfront expenses as described in paragraph 6 of this agreement;

• The Issuer will use the proceeds received from the issuance of the Notes to invest in senior triple-A structured product securities (the "Collateral Securities") and eligible investments ("Eligible Investments") (collectively, the "Collateral") selected by the Protection Buyer. Any principal repayments on Collateral will be reinvested into replacement Collateral selected by the Protection Buyer, subject to the applicable criteria specified in the Issuer CDS;

• The Protection Buyer will make ongoing payments to the Issuer covering ongoing transaction administrative expense, and one Portfolio Selection Agent Fees;

• "Failure to Pay Principal" and "Writedowns" (as defined in a manner consistent with the current form of the Credit Derivative Transaction on Mortgage-Backed Securities with Pay-As-You-Go or Physical Settlement (Form 2) Dealer Form) published by the International Swaps and Derivatives Association, Inc. (the "ISDA Dealer Forms") will be the sole credit events (the "Credit Events") under the CDS governing documents;

• A loss amount (a "Loss Amount") shall be determined following the occurrence of a Credit Event. Such Loss Amount will be equal to (a) the related Writedown Amount (as defined in the ISDA Dealer Forms) following the occurrence of a Writedown and (b) the related "Principal Shortfall Amount" (as defined in the ISDA Dealer Forms) following the occurrence of a Failure to Pay Principal;

• Following a Credit Event, the Protection Buyer will receive a cash settlement amount equal to the amount by which the related Loss Amount reduces the notional amount of the Targeted Transaction;

• There will be no discretionary substitution, reimbursement or replacement of Reference Obligations;

• The Protection Buyer will be sole notifying party of a Credit Event;

• The Protection Buyer, in its sole discretion, will have the right to terminate (with no termination payment payable by the Protection Buyer) portions of the Issuer CDS related to the Notes on any Payment Date occurring after the date that is specified as the indemnity or related pricing supplement (in each case, the "Applicable Non-Call Period") and any such redemption, a "Partial Optional Redemption," and the Notes redeemed in connection with any such Partial Optional Redemption will be redeemed at par; for avoidance of doubt, based on market conditions, Goldman, in its

---

FOIA Confidential Treatment Requested by Paulson & Co. PAULSON-ABACUS 0252729
The Protection Buyer shall be the calculation agent; and

- Termination payments payable to the Protection Buyer will be subordinated to payment of principal of the related Notes only in the event of a termination of the Issuer CDS (i) in respect of which the Protection Buyer is the "Defeathering Party," as such term is defined in the Issuer CDS, or (ii) for which the Protection Buyer was the sole "Affected Party" (as such term is defined in the Issuer CDS) (other than in connection with a "Tax Event" or "Insolvency," as such term is defined in the Issuer CDS).

The Reference Obligations are expected to be selected according to the following criteria (the "Portfolio Selection Criteria") and the final Reference Portfolio will be subject to the mutual agreement of Goldman and PCU:

(i) each Reference Obligation will have the same initial reference obligation notional amounts;

(ii) the Reference Portfolio will consist at least [185] distinct Reference Obligations;

(iii) each Reference Obligation must have been issued after [March 1, 2006];

(iv) as of the date of selection, each Reference Obligation must have an explicit rating of "Baa3" by Moody's;

(v) as of the time of selection, each Reference Obligation must have an actual public rating by Moody's and S&P, and such actual public rating by S&P must be no lower than ["BBB-"];

(vi) no Reference Obligation may have been issued by the name Reference Entity as any other Reference Obligation included in the Reference Portfolio;

(vii) the weighted average FICO score of the aggregate original collateral pool securing such Reference Obligation must be (a) greater than or equal to [600] and (b) less than or equal to [675];

(viii) the original aggregate principal amount of collateral securing such Reference Obligation must be greater than or equal to [2,000,000,000]; and

(ix) the original aggregate principal amount of mortgage collateral securing such Reference Obligation must be at least [80]% of the original aggregate principal amount of mortgage collateral securing such Reference Obligation.
A preliminary Reference Portfolio is identified in Annex C. Upon mutual agreement, Goldman and PCC may appoint a party (such party, a "Portfolio Selection Agent") to help select the final Reference Portfolio in return for the payment of an ongoing fee based on the aggregate outstanding amount of Notes of each Issued Tranche (each, a "Reference Portfolio Authorized Party"). The Reference Portfolio selected may be modified upon the mutual agreement of Goldman, PCC and the Portfolio Selection Agent (if any).

"Moody's" means Moody's Investors Service, Inc. and any successor or assigns thereof.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof.

Pursuant to the Basis Swap, it is anticipated, among other things, that:

- Goldman Sachs International (or an affiliate thereof) will act as basis swap counterparty (the "Basis Swap Counterparty");

- Each payment period, the Issuer will swap with the Basis Swap Counterparty the total principal proceeds received on the Collateral held by the Issuer in exchange for the benchmark index of the Notes, based upon the aggregate outstanding amount of the Notes, as reduced from time to time by principal amortization of the Reference Portfolio, Credit Events, and/or Partial Optional Redemption or optional redemption in whole of the Notes;

- The Basis Swap Counterparty shall be the calculation agent; and

- Termination payments payable to the Basis Swap Counterparty will be subordinated to payment of principal of the related Notes solely in the event of a termination of the Basis Swap (i) in respect of which the Basis Swap Counterparty is the "Affected Party" (as such term is defined in the Basis Swap), (ii) resulting from a downgrade of the Basis Swap Counterparty's credit rating or (iii) in which the Basis Swap Counterparty was the sole "Affected Party" (as such term is defined in the Basis Swap) (other than in connection with a "Tax Event" or "Eligibility", in each case as defined in the Basis Swap).

Pursuant to the Collateral Put, it is anticipated, among other things, that:

- Goldman Sachs International (or an affiliate thereof) will act as collateral put provider (the "Collateral Put Provider") and as compensation for acting as Collateral Put Provider will receive a fee of [0.00%] per annum accrued on an annualized 360-day count convention on a notional amount equal to the aggregate outstanding amount of the Notes at the beginning of the related accrued period.
The Collateral Put Provider will cover any shortfall to par plus accrued interest arising from the liquidation of Collateral Securities and certain Eligible Investments held by the Issuer solely in connection with (i) principal amortization of the Reference Portfolio, (ii) recoveries on Reference Obligations following Credit Events, in the case of (i) and (ii), leading to principal amortization of one or more Classes of Notes, (iii) a Partial Optional Redemption or optional redemption in whole or in part of the Notes, and (iv) a redemption of the Notes at maturity;

The Collateral Put Provider will not cover any shortfalls in paying cash settlement amounts to Goldman following Credit Events if the Collateral Securities and certain Eligible Investments liquidated to make such payment is liquidated at a price of below 100% (in which case such market value risk will be borne by the Protection Buyer for such aforementioned Collateral who will be deemed to have been paid the related cash settlement amount in full) and (ii) with respect to the liquidation of Collateral in connection with a mandatory redemption (following a default of any Collateral Security, a default of Goldman, an adverse tax event, an event of default (as defined in the related CDO indenture) or other mandatory redemption event);

The Collateral Put Provider shall be the calculation agent; and

No termination payment will be payable under any circumstances in connection with the Collateral Put.

Pursuant to the Collateral Disposal Agreement, it is anticipated, among other things, that:

Goldman, Sachs & Co. (or an affiliate thereof) will act as collateral disposal agent (the "Collateral Disposal Agent"); and

In connection with any liquidation of Collateral Securities held by the Issuer that may be required from time to time, whether in connection with (i) a Credit Event or (ii) principal amortization of the Notes (including pursuant to an Optional Redemption in part), the Collateral Disposal Agent shall select in its sole discretion which Collateral Security or Collateral Securities shall be liquidated to satisfy such requirement.

4. Back-to-Back CDS

Goldman will, subject to the terms of this Letter Agreement, purchase credit protection from swap counterparties of its choice under one or more Back-to-Back CDS.

Pursuant to each Back-to-Back CDS, it is anticipated, among other things, that:

FOIA Confidential Treatment Requested by Paulson & Co. PAULSON-ABACUS 0252742
The Protection Buyer will pay protection on all or a portion of the Targeted Tranche;

The Protection Buyer will make premium payments to the related Back-to-Back Protection Seller on an annual/quarterly basis on the notional amount of such Back-to-Back CDS, as reduced from time to time upon (1) principal repayments on any Reference Obligation (or the extent the cumulative principal repayments exceed one minus the Exhaustion Point as set forth in Annex B of the related Targeted Tranche immediately prior to such determination), (2) Credit Events with respect to any Reference Obligation (to the extent the cumulative Loss Amounts exceed the related Targeted Tranche Accumulation Point (as set forth in Annex B) immediately prior to such determination), and (3) any optional termination of the Back-to-Back CDS following the expiration of an Applicable Non-Call Period as defined below);

The notional amount of each tranche will be reduced in sequential order of priority in connection with the amortization of the Reference Portfolio and the notional amount of each tranche will be reduced in reverse sequential order of priority in connection with Credit Events related to the Reference Portfolio;

"Failure to Pay Principal" and "Writedown" (as defined in a manner consistent with the ISDA Dealer Form) will be the sole Credit Events;

A Loss Amount (a "Loss Amount") shall be determined following the occurrence of a Credit Event. Such Loss Amount will be equal to (a) the related "Writedown Amount" (as defined in the ISDA Dealer Form) following the occurrence of a Writedown and (b) the related "Principal Shortfall Amount" (as defined in the ISDA Dealer Form) following the occurrence of a Failure to Pay Principal;

Following a Credit Event, the Protection Buyer will receive a cash settlement amount equal to the amount by which the related Loss Amount reduces the notional amount of the Targeted Tranche;

There will be no substitution, reinvestment or replacement of Reference Obligations;

The Protection Buyer will be sole notifying party of a Credit Event;

The Protection Buyer, in its sole discretion, will have the right to terminate (with no termination payment payable by the Protection Buyer) a Back-to-Back CDS on any Payment Date occurring after the date that is specified for such Back-to-Back CDS (in such case, the "Applicable Non-Call Period");
Footnote Exhibits - Page 4772

- The Protection Buyer shall be the calculation agent.

5. Breakage. If this Letter Agreement is terminated prior to the completion of the distribution of a notional amount of each Targeted Tranche equal to the Maximum Notional Amount of such Targeted Tranche by notification from PCO (in such capacity, the "Terminating Party") to Goldman (in such capacity, the "Non-Terminating Party") of such termination, then the Non-Terminating Party will be entitled to payment in an amount equal to the aggregate of any reasonable and documented out-of-pocket expenses (including, without limitation, attorneys, rating agency and accounting fees and printing costs) borne by the Non-Terminating Party in connection with its activities under this agreement and submitted to the Terminating Party, provided however that (a) no payment shall be due to the extent that such out of pocket expenses are less than the total amount paid by PCO to Goldman under Paragraph 6 hereof and (ii) if such out of pocket expenses exceed the total amount paid by PCO to Goldman under Paragraph 6 hereof, PCO shall be liable to Goldman only as to the amount of such excess. Any such amounts payable pursuant to this paragraph will be paid in immediately available funds to the Non-Terminating Party by the Terminating Party.

6. Fees, Expenses. On the closing date of the CDO (the "Closing Date") or as promptly as practicable after such closing date, the Issuer shall pay (using proceeds received from an upfront payment (the "Upfront Payment") made by the Protection Buyer at the Closing Date), without duplication, (i) reasonable fees and expenses of Goldman’s outside counsel incurred in connection with the CDO, (ii) reasonable fees and expenses of counsel to the Issuer (if different from outside counsel to Goldman) and any other agents or professionals engaged by Goldman in structuring the CDO (other than the Portfolio Selection Agent), and executing the initial Offering including local legal counsel, trustee, accountant, local administrator, printer, rating agency and their respective counsel, and other fees and expenses, plus any sales, use or similar taxes (including additions to such taxes, if any) arising in connection with any matter referred to in this Letter Agreement and (iii) the cost (in excess of pay) of any Collateral Securities acquired by the Issuer on the Closing Date.

Each Back-to-Back CDS or Issuer CDS, as the case may be, and the matching PCO CDS shall be executed simultaneously (such date of execution, an "Effective Date"). On each Effective Date, PCO will make a payment to Goldman equal to, for each Targeted Tranche for which an Issuer CDS or Back-to-Back CDS was executed on such Effective Date, the product of (a) the Upfront Fee Rate for such Targeted Tranche, as defined in Annex B, and (b) the notional amount of the PCO CDS for such Targeted Tranche. In addition, on the later of (i) the Closing Date and (ii) the first Effective Date on which cumulatively at least $350,000,000 aggregate notional amount of the Targeted Tranches have been distributed as and in such manner as, prior to such date, PCO will make a payment to Goldman equal to $3,000,000.

PCO will also pay all fees and expenses of PCO’s outside counsel incurred in connection with each PCO CDS and the arrangements contemplated hereby.

PAULSON-ABACUS 0257744
The Notes may be issued in US Dollars or other currencies at Goldman’s sole discretion. If Goldman elects to issue any Notes in a currency other than US Dollars, PCO shall have the option to either (i) bear the currency risk associated with such non-US Dollar placement or (ii) allow Goldman to bear such risk, in which case PCO will pay the Strike Spread associated with such notional amount of the related tranche on the US Dollar equivalent of such issued notional amount.

8. **Reserved.**

9. **Nature of Relationship.** As you know, Goldman Sachs is a full-service securities firm engaged, either directly or through its affiliates in various activities, including securities trading, investment management, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, Goldman Sachs may actively trade the debt and equity securities (or related derivative securities) of PCO and other companies which may be the subject of the matters contemplated by this Letter Agreement for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities.

PCO recognizes that pursuant to this Letter Agreement Goldman Sachs will rely upon and assume the accuracy and completeness of all of the financial, accounting, tax and other information disclosed with or reviewed by Goldman Sachs for such purposes, and it does not assume responsibility for the accuracy or completeness thereof. Goldman Sachs will have no obligation to conduct any independent evaluation or appraisal of the assets or liabilities of PCO or any other party or to advise or opine on any related advisory issues. It is understood and agreed that Goldman Sachs will act under this Letter Agreement as an independent contractor and nothing in this letter or the nature of our services shall be deemed to create a fiduciary, advisory or agency relationship between Goldman Sachs and PCO or their respective stockholders, employees or creditors. Nothing in this Letter Agreement is intended to confer upon any other person (including stockholders, employees or creditors of PCO) any rights or remedies hereunder or by reason hereof.

In connection with any transactions contemplated in this Letter Agreement, Goldman Sachs is acting as arm’s length counterparty to PCO. Goldman Sachs is not acting as agent or advisor to PCO with respect to any such transaction or the terms thereof.
10. **Agreement to Trade.** On each Effective Date, PCO will enter into one or more PCO CDS under which PCO will purchase from Goldman credit protection on a Targeted Tranche, in an amount equal to the notional amount of the Back-to-Back CDS executed on such Effective Date or Notes sold on such date with respect to the same Targeted Tranche, in each case only if (i) the Pricing Spread for such Back-to-Back CDS or such Notes is less than or equal to the Strike Spread for the Targeted Tranche as described in Annex B, (ii) the Applicable Non-Call Period is three years from the First Payment Date, (iii) the aggregate notional amount of Back-to-Back CDS and Issuer CDS for such Targeted Tranche (taking into account the Back-to-Back CDS or Issuer CDS for each Targeted Tranche executed on such Effective Date) is less than or equal to the Maximum Notional Amount of the Targeted Tranche and (iv) such Effective Date occurs prior to the Expiration Date, provided that, in its discretion, PCO may waive the requirements set forth in clauses (ii) and (iii) with respect to any Back-to-Back CDS or Notes and any Effective Date. The terms and conditions of the each PCO CDS shall be identical to the terms and conditions of the related Back-to-Back CDS or Issuer CDS, as the case may be, as summarized in this Letter Agreement (except for Goldman's role as calculation agent under each such CDS), terms related to the Collateral Securities and in connection with any amounts payable pursuant to Paragraph 6 of this Letter Agreement) unless such terms and conditions are revised subject to mutual agreement by Goldman and PCO.

11. **Disclosure of Transactions.** Without the prior consent of Goldman, PCO may not discuss or disclose any information about the Offering, any Back-to-Back CDS, any PCO CDS or any transaction related thereto with any third party other than (i) its legal, tax, accounting and other professional advisors and (ii) in the extent required by any applicable law. After the closing of the Offering, Goldman may publish a notice of the transaction in such format, in such publications and at such times as Goldman may deem appropriate and consistent with its customary practices. Communication of an approval or disapproval of any such notice referred to in this paragraph shall be made by the end of the second business day following the date such notice is submitted for approval.

12. **Rescind.**

13. **Amendments.** This Letter Agreement may not be amended or modified in any way except by a written executed by each of the parties hereto.

14. **Assignment.** Goldman may, in the performance of its services hereunder, delegate the performance of all or any portion of such services as it may elect to other Goldman affiliates or any affiliated entities; provided, however, that no such delegation by Goldman shall in any respect affect the terms hereof, and Goldman shall be responsible for any acts or omissions by any of its affiliated entities in the performance of any services delegated hereunder to such entity.
therewith, Goldman may direct such reasonable advance notice prior to the payment of any amount to be made to it hereunder, the payment of such amount to be made, in whole or in part, to a Goldman affiliated entity in satisfaction of the payment of such amount due to Goldman hereunder.

15. Enforceability of Provisions. The invalidity or enforceability of any provisions of this Letter Agreement shall not affect the validity or enforceability of any other provisions of this Letter Agreement, which shall remain in full force and effect.

16. Reserved

17. Choice of Law, Waiver of Jury Trial, Submission to Jurisdiction. This Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflict of laws provisions thereof. ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION ARISING OUT OF THIS LETTER AGREEMENT OR CONDUCT IN CONNECTION WITH THIS LETTER AGREEMENT IS HEREBY WAIVED. The parties hereto submit to the exclusive jurisdiction of the federal and New York State courts located in the Borough of Manhattan of the City of New York in connection with any dispute related to this Letter Agreement or any of the matters contemplated hereby.

18. No Third Party Beneficiaries. There are no beneficiaries of this Letter Agreement, other than the named parties.

19. Miscellaneous. Goldman does not provide accounting, tax or legal advice. Notwithstanding anything herein to the contrary, PCO is authorized to disclose to any person, the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to PCO relating to that treatment and structure, without Goldman imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, “tax structure” is limited to any facts that may be relevant to that treatment.

FCIA Confidential Treatment Requested by Paulson & Co.

PAULSON-ABACUS 0252747
If this Letter Agreement correctly sets forth PCO's understanding, please to confirm by countersigning and returning the enclosed copy. Upon receipt of the copy by Goldman, this Letter Agreement shall be deemed a binding agreement.

We are delighted to accept this agreement and look forward to working with you on this assignment.

Very truly yours,

(GOLDMAN, SACHS & CO.)

PAULSON CREDIT OPPORTUNITIES MASTER LTD.

By: ____________________________
Name: __________________________
Title: ____________________________
Date: ____________________________
Footnote Exhibits - Page 4777

Anacs A
Reserved

FOIA Confidential Treatment Requested by Paulson & Co.

PAULSON-ABACUS 0252748
Footnote Exhibits - Page 4778

Annex B

"Targeted Tranche" means each of the Super Senior, Class A, Class B, Class C and Class D tranches that Goldman will distribute on a best efforts basis, as set forth in the column "Tranche" in the table below.

"Distributed Tranche" means, with respect to an Effective Date, a tranche that has been distributed (through Goldman's purchase of credit protection through a Back-to-Back CDS) on such Effective Date.

"Executed Spread" means, with respect to a PCO CDS, the Pricing Spread of the related Distributed Tranche.

"Minimum Fee Rate" means for each Distributed Tranche the rate as set forth in the table below in the column "Minimum Fee Rate" corresponding to the row related to such tranche.

"Payment Date": With respect to any Back-to-Back CDS or Issuer CDS, the 28th of each month or if such day is not a Business Day, the next succeeding Business Day, commencing on the month following the Effective Date and ending on the date specified in the related documentation.

"Pricing Spread" means, (i) for each Class of Notes, the sum of (a) the stated spread above or below the index stated for the Notes of such Class issued on the Closing Date, as set forth in the indenture or costing and paying agency agreement relating to the Notes, as applicable, and on the related Notes, provided that, with respect to any Class of Notes issued at a discount or premium to par, the amount discounted or premia in respect of such tranche, (g) shall be the discount margin (to maturity) to the index stated for the Notes of such Class, (b) 0.004% per annum related to the Collateral Trust Provider fee and (c) the rate per annum of the Portfolio Selection Agency Fee, with respect to such Class (if any) and (d) for each Back-to-Back CDS, the stated fixed rate spread with respect to such tranche.

"Initial Reference Portfolio Notional Amount" means $2,000,000,000.

"Strike Spread" means, with respect to each Distributed Tranche, the percentage corresponding to such tranche as set forth in the column "Strike Spread" in the table below.

"Maximum Notional Amount": For each Targeted Tranche, the product of (i) the percentage corresponding to such tranche as set forth in the column "Strike Spread" in the table below and (ii) the Initial Reference Portfolio Notional Amount.

"Effective Fee Rate" means, for each Distributed Tranche, the sum of (A) the Minimum Fee Rate for such tranche and (B) the product of (a) 10%, (b) 7 and (c) the greater of (a) zero and (d) the difference between (a) the Strike Spread and (e) the Executed Spread.
### Footnote Exhibits - Page 4779

<table>
<thead>
<tr>
<th>Transect</th>
<th>Target Range (Daily GAF)</th>
<th>Achievement (Daily Tel)</th>
<th>Subtraction (Daily Tel)</th>
<th>Maximum Absolute Amount of Target (10% of Daily Tel)</th>
<th>Subtracted</th>
<th>Maximum Fee Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>[XYZ][AAA]</td>
<td>[12.0%]</td>
<td>[10.0%]</td>
<td>[15.0%]</td>
<td>[1.0%]</td>
<td>[25%]</td>
</tr>
<tr>
<td>Class B</td>
<td>[XYZ][AAA]</td>
<td>[14.0%]</td>
<td>[12.0%]</td>
<td>[14.0%]</td>
<td>[2.0%]</td>
<td>[15%]</td>
</tr>
<tr>
<td>Class C</td>
<td>[XYZ][AAA]</td>
<td>[16.0%]</td>
<td>[16.0%]</td>
<td>[16.0%]</td>
<td>[3.0%]</td>
<td>[10%]</td>
</tr>
<tr>
<td>Class D</td>
<td>[XYZ][AAA]</td>
<td>[18.0%]</td>
<td>[18.0%]</td>
<td>[18.0%]</td>
<td>[4.0%]</td>
<td>[5%]</td>
</tr>
<tr>
<td>Class E</td>
<td>[XYZ][AAA]</td>
<td>[20.0%]</td>
<td>[20.0%]</td>
<td>[20.0%]</td>
<td>[5.0%]</td>
<td>[2%]</td>
</tr>
<tr>
<td>Class F</td>
<td>[XYZ][AAA]</td>
<td>[22.0%]</td>
<td>[22.0%]</td>
<td>[22.0%]</td>
<td>[6.0%]</td>
<td></td>
</tr>
</tbody>
</table>

*The Super Senior Transect may be shadow-rated by Treasury and/or S&P.*

The capital structure is subject to change upon feedback from the rating agencies.

---

FOIA Confidential Treatment Requested by Paulson & Co.  
PAULSON ABACUS 0252751
## Annex C

### Reference Portfolio

<table>
<thead>
<tr>
<th>Column</th>
<th>Reference Name</th>
<th>Reference Number</th>
<th>MIP Ratio</th>
<th>MIF Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>01234567</td>
<td>ABC 2006-01</td>
<td>00000000</td>
<td>25,000,000</td>
<td></td>
</tr>
<tr>
<td>01234567</td>
<td>ABC 2006-02</td>
<td>00000000</td>
<td>25,000,000</td>
<td></td>
</tr>
<tr>
<td>01234567</td>
<td>ABC 2006-03</td>
<td>00000000</td>
<td>25,000,000</td>
<td></td>
</tr>
<tr>
<td>01234567</td>
<td>ABC 2006-04</td>
<td>00000000</td>
<td>25,000,000</td>
<td></td>
</tr>
</tbody>
</table>

---

Footnote Exhibits - Page 4780

FOIA Confidential TreatmentRequested by Paulson & Co.
Footnote Exhibits - Page 4781

*The Rehobese Portfolio may be modified upon the mutual agreement of Goldman, P.C. and the Portfolio Selection Agent of each.*
Footnote Exhibits - Page 4782

From:         Toure, Fabrice
Sent:   Saturday, January 05, 2007 5:14 PM
To:         esleeIFelin@gsc.com; jlisus@gsc.com
Cc:         
Subject: RE: Paulson Portfolio

*gs-classification: External*

Ed, Josh, thanks for coming to the meeting on Friday. To give you some background on the portfolio that the Paulson guys are starting from, this is a portfolio that was selected using some of the following criteria:

- Start from the universe of RMBS transactions available in Intex
- Focus only on the 2006 vintage, bonds underwritten after March 1, 2006
- Baseline bonds
- Average FICO between 600 and 675
- RMBS transaction size greater than 8500mm
- Average ARM greater than 80%

We should discuss live on Monday when you get a chance.

Fabrice

Files: Shan Shu [mailto:Shan.Shu@paulsonco.com]
Sent: Friday, January 05, 2007 6:13 PM
To: esleeIFelin@gsc.com; jlisus@gsc.com
Cc: Toure, Fabrice; Gerd; David; Paulo Pellegrini; Brad Rosenberg; Rob Lerner
Subject: Paulson Portfolio

Ed,

As discussed, here is a portfolio of 125 Baseline tranches of recent subprime deals. Please provide us with feedback/comments.

Regards,

Shan

Shan Shu
Paulson & Co.
560 Madison Avenue, 29th Floor
New York, NY 10022
Tel: 212 613 8819
Fax: 212 977 9306
shan.shu@paulsonco.com

Confidential Treatment Requested by Goldman Sachs

GS/MBS-E-002754054

Wall Street & The Financial Crisis
Report Footnote 4515
Laura,

Paulson is trying to get a sense, for the 2008 RMBS transactions identified by Paulson, for the level of the capital structure of those transactions that ACA has been comfortable investing in the past, whether for its own account or for a CDO of your own.
From: Shih-Shiu [Shih-Shiu@paubox.com]
Sent: Thursday, March 29, 2007 7:16 PM
To: Tourn, Fabrice; Gerst, David
Cc: Raza, Cactus; Paolo Pellegrini; Brad Rosenberg
Subject: Re: Substitutions for ABACUS 2007-AC1

That looks good to me.

--- Original Message ---
From: Tourn, Fabrice <Fabrice.Tourn@gs.com>
To: Shih-Shiu, Gerst, David <David.Gerst@gs.com>
Cc: Raza, Cactus; Paolo Pellegrini; Brad Rosenberg
Sent: The Mar 22 2007@11 2007
Subject: Re: Substitutions for ABACUS 2007-AC1

ok, so we will have the 3 following reference obligations:

ENCMT 2007-1 MB
MBSL 2007-1 B2
SILAT 2007-2 MB

As replacements for the 3 CARER - New Century serviced loans

---

From: Shih-Shiu [mailto:Shih-Shiu@paubox.com]
Sent: Thursday, March 29, 2007 6:00 PM
To: Gerst, David; Tourn, Fabrice
Cc: Raza, Cactus; Paolo Pellegrini; Brad Rosenberg
Subject: Re: Substitutions for ABACUS 2007-AC1

We can take ENCMT 07-1 MB.

---

From: Gerst, David [mailto:David.Gerst@gs.com]
Sent: Thursday, March 29, 2007 5:57 PM
To: Shih-Shiu; Tourn, Fabrice
Cc: Raza, Cactus; Paolo Pellegrini; Brad Rosenberg
Subject: Re: Substitutions for ABACUS 2007-AC1

Shih-Shiu,

That name is included in the current portfolio as well. Are there any other proposed names that are acceptable?

Thanks,

Confidential Treatment Requested by Goldman Sachs Group Inc.
Footnote Exhibits - Page 4786

David

From: Sihan Shu  (sihan.shu@pgis.com)
Sent: Thursday, March 22, 2007 4:31 PM
To: Toune, Patrick
Cc: Gend, David; Raas, Carter; Paoli, Pellegri; Brad Rosenberg
Subject: RE: Substitutions for ABACUS 2007-AC1

We'd like to take HSAC 07-HE2 R3.

From: Toune, Patrick  (patrick.toune@pgis.com)
Sent: Thursday, March 22, 2007 4:12 PM
To: Sihan Shu
Cc: Gend, David; Raas, Carter; Paoli, Pellegri; Brad Rosenberg
Subject: RE: Substitutions for ABACUS 2007-AC1

Actually, David Gend just realized that HEAT 07-1 is already in the portfolio... Is there any other bond in the list ACA proposed that you care about?

From: Sihan Shu  (sihan.shu@pgis.com)
Sent: Thursday, March 22, 2007 4:01 PM
To: Toune, Patrick
Cc: Gend, David; Raas, Carter; Paoli, Pellegri; Brad Rosenberg
Subject: RE: Substitutions for ABACUS 2007-AC1

Patrick, we'd like to accept HEAT 07-1 M8 and HEAT 07-3 M5.

From: Toune, Patrick  (patrick.toune@pgis.com)
Sent: Thursday, March 22, 2007 8:49 AM
To: Sihan Shu
Cc: Gend, David; Raas, Carter; Paoli, Pellegri; Brad Rosenberg
Subject: RE: Substitutions for ABACUS 2007-AC1

Sihan, ACA is ok with the MEHEL 07-1 S5, but is not ok with the HSAC 2007-OPTI M3 bond. We are going to send you later today the loss tapes for the 3 replacement deals they are proposing.

From: Sihan Shu  (sihan.shu@pgis.com)
Sent: Wednesday, March 21, 2007 2:34 PM
To: Toune, Patrick
Confidential Treatment Requested by Goldman Sachs

GS MBS-E-030310588
We have already picked 3 names we'd like to use to replace three NC serviced bonds. Please forward them to ACA, and let us know if they have any questions.

HASC 07-QPT1 M8
MDRI 07-1 B2
GSAM 07-FM1 M8

Thanks,
Silas

-----
From: Toome, Patrice patrice.toome@gs.com
Sent: Wednesday, March 21, 2007 2:29 PM
To: Paolo Pettinari; Eitan Baez
Cc: Oren, David; Razi, Caius
Subject: Substitutions for ABACUS 2007-AC1

Paolo, Eitan,
In order to replace the New Century serviced bonds in the ABACUS 2007-AC1 portfolio (CARR 2005-NC1 M8, CARR 2005-NC2 M8 and CARR 2006-NC3 M9), ACA is proposing the following substitute bonds:

SIAL 2007-2 M8
RCNMT 2007-1 M8
MLMIC 2007-FEL1 B2
MSAC 2007-NEX2 B2
SILFL 2007-AC1 A2
CMO 2007-AMC3 M8
CWL 2007-2 M8
SIAL 2007-1 M8

I asked ACA to send loan tapes for these bonds in order to help you select the names that fit you.

Regards,

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-003010589
Footnote Exhibits - Page 4790

From: Shah Shu [Shah.Shu@paulsonco.com]
Sent: Friday, January 05, 2007 6:13 PM
To: astefelin@gsc.com; bino@ggc.com
Cc: Tourre, Fabrice; Darst, David; Paolo Pellegrini; Brad Rosenberg; Rob Lerner
Subject: Paulson Portfolio
Attachments: Paulson Portfolio.xls

Ed,

As discussed, here is a portfolio of 123 Bas2 tranches of recent subprime deals. Please provide us with feedback/comments.

Regards,
Shah

Shah Shu
Paulson & Co.
590 Madison Avenue, 29th Floor
New York, NY 10022
Tel: 212 813 6819
Fax: 212 877 8305
shah.shu@paulsonco.com

Confidential Treatment Requested by Goldin

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #522

GS MBS-E-002483408
Footnote Exhibits - Page 4792

From: Laura Schwartz [schwartz@aca.com]
Sent: Monday, January 22, 2007 1:52 PM
To: Tourn, Fabrice; Kreisman, Gary; Gers, David
Cc: Keith Gorman
Subject: proposed Paulson Portfolio

Attached please find a worksheet with 86 sub-prime mortgage positions that we would recommend taking exposure to synthetically. Of the 182 names that were originally submitted to us for review, we have included only 86. We do not recommend including the other 86 names because either: 1) we did not like them at the recommended attachment point; 2) there are lower rated tranches that are already on negative watch; and 3) some names (i.e. Long Beach and Fremont) are very susceptible to investor push-back.

This 31 new names are heavily weighted to new issue names we believe the underlying collateral to be of better quality. We provided a total of 86 names to give us some room since the term-sheet mentioned 80 names at 1.25% each.

Please let me know if you have any questions.

*****************************************************************
This e-mail is not a contract and is not intended to, and does not, create any obligation. It is not a commitment to insure and is not to be construed as an offer to sell or the solicitation of an offer to buy any security or any insurance product.

The information in this e-mail and in any attachments is confidential and intended solely for the attention and use of the named addressee(s). This information may be subject to legal, professional or other privilege or may otherwise be protected by work product immunity or other legal rules. It must not be disclosed to any person without our authority.

If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, please send a reply e-mail notifying us of the error and delete this e-mail from your system. You are not authorized to and must not disclose, copy, distribute, or retain this message or any part of it.

*****************************************************************

Confidential Treatment Requested by Golder

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #722

GS MBS-E-0025222389
### ACA OVERLAP

<table>
<thead>
<tr>
<th>No. Ord</th>
<th>No. SPD</th>
<th>Name(s)</th>
<th>SAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>2</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>3</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>4</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>5</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>6</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>7</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>8</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
</tbody>
</table>

### ACA KICKOUT

<table>
<thead>
<tr>
<th>No. Ord</th>
<th>No. SPD</th>
<th>Name(s)</th>
<th>SAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>2</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>3</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>4</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>5</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>6</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
<tr>
<td>7</td>
<td>222</td>
<td>ACT/CSH</td>
<td>066052.722</td>
</tr>
</tbody>
</table>

Footnote Exhibits - Page 4793
From: Gerst, David
Sent: Monday, January 22, 2007 2:11 PM
To: Paolo Pellegrini, Sihan Shu
Cc: Torrie, Fabrice, Reazti, Cactus
Subject: ACA feedback
Attachments: Pauson Portfolio 1-22-07.xls

Paolo, Sihan:

Attached is the feedback we received from ACA on the list of 123 names that you had provided. They have broken down your list into names that they would recommend including in the portfolio (55) and names that they would recommend excluding from the portfolio (68). In addition, they have included a separate list of 31 names for you to review that they would recommend for inclusion, with the objective of creating a portfolio with 80+ names.

Are you available for a quick call this afternoon to discuss these lists?

Thanks,

David

[Signature]

Pauson Portfolio
1-22-07.xls

Goldman, Sachs & Co.
15 Broad Street, New York, NY 10005
Tel: (212) 901-3010, Fax: (212) 901-3070
E-mail: david.gerst@gs.com

Goldman Sachs
David Gerst
Structured Products Trading

Confidential Treatment Requested by Goldman Sachs

Wall Street & The Financial Crisis
Report Footnote #2523

GS MBS E-0024805574
<table>
<thead>
<tr>
<th>ACA OVERLAP</th>
<th>CUSB</th>
<th>Remarks</th>
<th>SAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>001:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>002:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>003:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>004:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>005:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>006:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>007:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>008:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ACA KICKOUT</th>
<th>CUSB</th>
<th>Remarks</th>
<th>SAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>001:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>002:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>003:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>004:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>005:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>006:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>007:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
<tr>
<td>008:00000</td>
<td>4000</td>
<td>BBD</td>
<td></td>
</tr>
</tbody>
</table>

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 00029 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
## ACA Substitutions

<table>
<thead>
<tr>
<th>No.</th>
<th>DKBC</th>
<th>Number/Qty</th>
<th>R&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ASCT-20/40/60N</td>
<td>007232190</td>
<td>007232190</td>
</tr>
<tr>
<td>2</td>
<td>CHLT-700/1100N</td>
<td>1251461</td>
<td>1251461</td>
</tr>
<tr>
<td>3</td>
<td>CHLT-560</td>
<td>1260711</td>
<td>1260711</td>
</tr>
<tr>
<td>4</td>
<td>CHV-600-20</td>
<td>1266886</td>
<td>1266886</td>
</tr>
<tr>
<td>5</td>
<td>CHV-600-40</td>
<td>1266886</td>
<td>1266886</td>
</tr>
<tr>
<td>6</td>
<td>CHV-800-HUR</td>
<td>2331144</td>
<td>2331144</td>
</tr>
<tr>
<td>7</td>
<td>FFV-600-F70/550</td>
<td>3352354</td>
<td>3352354</td>
</tr>
<tr>
<td>8</td>
<td>FFV-600-F80/550</td>
<td>3352354</td>
<td>3352354</td>
</tr>
<tr>
<td>9</td>
<td>FFV-600-F80/650</td>
<td>3352354</td>
<td>3352354</td>
</tr>
<tr>
<td>10</td>
<td>GSAF-500-200X200</td>
<td>3265714</td>
<td>3265714</td>
</tr>
<tr>
<td>11</td>
<td>HEAT-700-HUR</td>
<td>4171615</td>
<td>4171615</td>
</tr>
<tr>
<td>12</td>
<td>JNAC-30/60/80N</td>
<td>4955217</td>
<td>4955217</td>
</tr>
<tr>
<td>13</td>
<td>JNAC-30/60/80N</td>
<td>4955217</td>
<td>4955217</td>
</tr>
<tr>
<td>14</td>
<td>JNAC-30/60/80N</td>
<td>4955217</td>
<td>4955217</td>
</tr>
<tr>
<td>15</td>
<td>MABS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>16</td>
<td>MABS-2000/4200</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>17</td>
<td>MABS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>18</td>
<td>MABS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>19</td>
<td>MABS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>20</td>
<td>MABS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>21</td>
<td>MARS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>22</td>
<td>MARS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>23</td>
<td>MARS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
<tr>
<td>24</td>
<td>MARS-2000-6000</td>
<td>5784147</td>
<td>5784147</td>
</tr>
</tbody>
</table>

---

Footnote Exhibits - Page 4797
Any time during the day works. David and I should be there.

-----Original Message-----
From: Kreisman, Gall
Sent: Sunday, January 28, 2007 1:31 PM
To: Toure, Fabrice; Gerst, David
Subject: Re: ABACUS - Initial Draft Engagement Letter for ACA

What time works on the 5th to have a paulem discussion who should be there?

-----Original Message-----
From: Toure, Fabrice
To: 'lschwartz@aca.com'; 'lschwartz@aca.com'; Gerst, David
Cc: Kreisman, Gall; ficm-mgcor-deal; kpugman@aca.com
Sent: Sun Jan 28 12:32:01 2007
Subject: Re: ABACUS - Initial Draft Engagement Letter for ACA

Thanks Laura for your email, this is confirming my initial impression that Paolo wanted to proceed with you subject to agreement on portfolio and compensation structure. Let's meet on Feb 5th to discuss this transaction.

--------------------------
Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Laura Schwartz <lschwartz@aca.com>
To: Toure, Fabrice; Gerst, David
Cc: Kreisman, Gall; ficm-mgcor-deal; Keith Gorman <kpugman@aca.com>
Sent: Sun Jan 28 09:36:00 2007
Subject: Re: ABACUS - Initial Draft Engagement Letter for ACA

So I met with Paolo last night. We first talked about the collateral - why only 35 names from the list and why the Baa3 and A3 names. He had summary performance and credit statistics on each piece of collateral on a spreadsheet (he may as much of a nerd as I am since he brought a laptop to the bar and he also seemed to have a worksheet from DB and another manager). I don't think he wants the A3 names and wasn't too keen on the Baa3 names. Let's do the Baa3 names at Baa3. He also wanted to talk about if we had to have so many names - I said Goldman needed 100 to help sell the debt. He also wanted to talk about the super senior - I said we would definitely look at it if Goldman planned on placing it. We also talked about the auction call - he wants a 2 year. This may be tough to sell without a make whole. We left it that we would both work on our respective engagement letters this week - I certainly got the impression he wanted to go forward with this with us. He is also headed to ASF. Can we meet sometime on Feb 5th to discuss mechanics of this deal?

Laura Schwartz
ACA Capital
(212) 375 2211
lschwartz@aca.com

-----Original Message-----

Confidential Treatment Requested by Gc

GS MBS-E-002444359
Footnote Exhibits - Page 7999

From: Laura Schwartz
To: [Redacted]
CC: [Redacted]
Sent: Sat, Jan 27, 2007 14:38:04 PM
Subject: Re: ABACUS - Initial Draft Engagement Letter for ACA

I am in Jackson Hole and Paulo is out here [Redacted] for a week and we ran into each other last night. He called me this morning and wants to meet for a drink and discuss the deal this afternoon. Will keep you informed.

Laura Schwartz
ACA Capital

Sent: Fri, Jan 26, 2007 09:32:35 AM
Subject: RE: ABACUS - Initial Draft Engagement Letter for ACA

Laura -- all good questions. Some thoughts:

1. What expenses do you envision would be incurred in connection with the transaction? I think we/Paulson can envision paying your expenses in connection with marketing the transaction, subject to a reasonable cap.

2. In the engagement letter, the Portfolio Selection Fee is structured such that you get paid a spread (the "Portfolio Selection Fee Rate") on the tranches that are issued, subject to a floor of 30bp per annum. The Portfolio Selection Fee Rate is equal to 0.21% p.a. for the "AAA" tranche, 0.50% for the "AA" and "AA-" tranches, and 1.00% for the "A" tranche. Using our current capital structure for a libid transaction and assuming we issue all the "AAA" through "A" notes, the aggregate Portfolio Selection Fees would be approx $2.5 million p.a. If we are able to upsicle for a E2bn transaction and if we are able to issue all the "AAA" through "A" notes, the aggregate Portfolio Selection Fees would be approx $2.5 billion p.a.

3. We are using McKee Nelson as deal counsel since they have a deep knowledge of the ABACUS transaction documents. I am afraid that if we use counsel not familiar with our deal structure, legal expenses might be significantly higher than otherwise, and the transaction execution might take more time.

4. Paulo at Paulson is out of the office until Wednesday of next week. We are trying to get his feedback on the target portfolio you have in mind, as well as on the compensation structure we have been discussing with you. Subject to Paulo being comfortable with those 2 aspects, it sounds like we will be in a position to engage you on this transaction.

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4800

Just a few questions before I send it to my counsel:

1. It says that any expenses we incur are for our account - I think the issuer/deal
   should pay our out of pocket, in connection with this transaction (such as any travel etc).
2. The fee rate is set at $1 million - is this regardless of the ultimate size?
3. We generally like our counsel (Schulte) to be deal counsel - do you believe that we
   have this deal? do we need to do the work on the engagement letter before we know if we
   have the deal?

From: Gerst, David [mailto:David.Gerst@gs.com]
Sent: Thursday, January 25, 2007 10:53 AM
To: Laura Schwartz
Cc: Krestman, Gail; Toure, Fabrice; fico-mgporr-dwck
Subject: ABACUS - Initial Draft Engagement Letter for ACA

Laura,

Attached is an initial draft of an Engagement Letter for the proposed ABACUS transaction.
Please let us know your availability to discuss the draft and answer any questions you may
have.

Thanks,
David

<ABACUS ACA Engagement Letter 20070124.pdf>

Goldman, Sachs & Co.
90 Broad Street | New York, NY 10005
Tel: (212) 902-4311 | Fax: (212) 256-2442
e-mail: david.s.gerst@gs.com

Goldman Sachs

Structured Products Trading

-----------------------------------------------------------------------------------------------------------------
This e-mail is not a contract and is not intended to, and does not, create any obligation.
It is not a commitment to insure and is not to be construed as an offer to sell or the
solicitation of an offer to buy any security or any insurance product.

The information in this e-mail and in any attachments is confidential and intended solely
for the attention and use of the named addressee(s). This information may be subject to
legal, professional or other privilege or may otherwise be protected by work product
immunity or other legal rules. It must not be disclosed to any person without our
authority.

If you are not the intended recipient, or a person responsible for delivering it to the
intended recipient, please send a reply e-mail notifying us of the error and delete this
e-mail from your system. You are not authorized to and must not disclose, copy,

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002444361
From: Gerst, David
Sent: Wednesday, January 31, 2007 5:42 PM
To: Laura Schwartz
Cc: Kretman, Gail; Herold - Manafort, Melanie; Tourre, Fabrice; fic-mrgp-desk
Subject: ABACUS Transaction - update
Attachments: Paulson Portfolio 1-22-07 (2) .xls

Laura,

We wanted to provide you with an update on the transaction.

From the 100 name portfolio that you had agreed to with Paolo (attached here), we would like to exclude Sail 2066-BNC1 M7 and Sail 2066-BNC2 M7, which are both on negative credit watch by Moody's. This leaves us with a portfolio of 58 names, for which we have been updating our model to refresh the capital structure. In addition, we have been working on a flipbook and termsheet in anticipation of marketing the transaction.

We will continue our discussions with Paolo to confirm his agreement with the proposed transaction as structured and look forward to discussing the transaction and draft Engagement Letter on Monday. In the meantime, can you please send us recent ACA marketing materials that we can include in our draft flipbook and termsheet.

Thanks,

David

---

Goldman, Sachs & Co.
90 Broad Street, New York, NY 10004
Tel: (212) 902-4311 | Fax: (212) 296-4942
e-mail: david.gerst@goldmansachs.com

Goldman Sachs

David Gerst
Structured Products Trading

Confidential Treatment Requested by Go

GS MIBS-E-002620419
From: Laura Schwartz (lschwartz@acca.com)
Sent: Thursday, February 01, 2007 9:30 AM
To: Gerst, David
Cc: Kretman, Gail; Herald - Granoff, Melanie; Toure, Fabrice; fic-mtgcon-desk
Subject: RE: ABACUS Transaction - update

Pamela called me this morning. We plan on sitting down tomorrow to try to finalize the portfolio. I suggested 3 alternatives - SASCC 2006-WF3, Class M-9 and above
CML2006-WF3/ES2, Class M-9 and above
CML2007-AMC1, Class M-9 and above

From: Gerst, David [mailto:David.Gerst@gs.com]
Sent: Wednesday, January 31, 2007 5:42 PM
To: Laura Schwartz
Cc: Kretman, Gail; Herald - Granoff, Melanie; Toure, Fabrice; fic-mtgcon-desk
Subject: ABACUS Transaction - update

Laura,

We wanted to provide you with an update on the transaction:

From the 100 name portfolio that you had agreed to with Paolo (attached here), we would like to exclude SAIL 2006-BNC1 M7 and SAIL 2006-BNC2 M7, which are both on negative credit watch by Moody's. This leaves us with a portfolio of 88 names, for which we have been updating our model to refresh the capital structure. In addition, we have been working on a flipbook and term sheet in anticipation of marketing the transaction.

We will continue our discussions with Paolo to confirm his agreement with the proposed transaction as structured and look forward to discussing the transaction and draft Engagement Letter on Monday. In the meantime, can you please send us recent ACA marketing materials that we can include in our draft flipbook and term sheet.

Thanks,

David

<<Paulson Portfolio 1-22-07 (2) (2).xlsx>>

Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: (212) 901-1000 | Fax: (212) 901-3000
email: david.gerst@gs.com

Goldman
Sachs
David Gerst
Structured Product Trading

Permanent Subcommittee on Investigations
Wall Street & the Financial Crisis
Report Footnote #2523

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4804

From: Paolo Pellegrini [Paolo.Pellegrini@paulsonco.com]
Sent: Friday, February 02, 2007 11:10 AM
To: Laura Schwartz; Shian Shu
Cc: Tourre, Fabrice; Gerst, David; Gail Krieman; Lucas Westreich; Keith Gorman
Subject: RE: portfolio

Laura,

Thank you for meeting with me, Shian and Fabrice this morning on such short notice. Coming into the meeting, I had not realized that you might have migrated the reference obligations on some of our original reference entities from the BA2 to the A3 rating category. I apologize for not explaining more clearly that we had taken the whole portfolio to the BA2 level, i.e., migrated both A3 and BA3 to BA2, assuming that the migration in opposite directions would have a neutral overall result. We then took the deals with AAM % > 75 and produced the list that we gave you this morning. If we take out the BA2 bonds listed below, I am not sure that the result is neutral relative to the starting point. However, if you are absolutely adamant about excluding each of the bonds listed below, I hope that you will be able to come up with recent names that fit our criteria. If so, getting loan data on such names becomes critical.

Best,

Paolo

---

From: Laura Schwartz [milton@schwartz@laca.com]
Sent: Friday, February 02, 2007 10:07 AM
To: Paolo Pellegrini; Shian Shu
Cc: Tourre, Fabrice; david.gerst@gs.com; Gail Krieman; Lucas Westreich; Keith Gorman
Subject: portfolio

Thank you for coming down this morning to discuss the portfolio and portfolio strategy. In comparing our two worksheets, it appears that 9 positions that we kicked off made it back onto your second sheet. We are not willing to include the following 9 positions at the BA2 level:

AR5 2006-W3
ARSI 2006-W4
BSAES 2006-RE3
CM51 2006-NC2
FHLT 2006-D
LBW 2006-WL1.2
LBW 2006-WL3
NMJ 2006-CFT1
SURF 2006-BC1

We will provide substitutes for this as well as additional names.

*****************************************************************************
This e-mail is not a contract and is not intended to, and does not, create any obligation. It is not a commitment to insure and is not to be construed as an offer to sell or the solicitation of an offer to buy any security or any insurance product.

The information in this e-mail and in any attachments is confidential and intended solely for the attention and use of the named addressee(s). This information may be subject to federal, state or other privilege or may

Confidential Treatment Requested by Gol

GS MBS-E-002483469
Attached please find an updated file with the names we concur on as well as 21 replacement names at the bottom of the file. Let me know if these work for you at the Basal level. Thanks.

Laura,

Thank you for meeting with me, Sihan and Fabrice this morning on such short notice. Coming into the meeting, I had not realized that you might have migrated the reference obligations on some of our original reference entities from the Basal to the A3 rating category. I apologize for not explaining more clearly that we had taken the whole portfolio to the Basal level, i.e., migrated both A3 and Basal to Basal, assuming that the migration in opposite directions would have a neutral overall result. We then took the deals with ARM% > 75 and produced the list that we gave you this morning. If we take out the Basal bonds listed below, I am not sure that the result is neutral relative to the starting point. However, if you are absolutely adamant about excluding each of the bonds listed below, I hope that you will be able to come up with recent names that fit our criteria. If so, getting loan data on such names becomes critical.

Best,
Paolo

Laura,

From: Laura Schwartz [mailto:schwartz@aca.com]
Sent: Friday, February 02, 2007 10:07 AM
To: Paolo Pellegrini; Sihan Shu
Cc: Tourne, Fabrice; david.gertst@gs.com; Gail Kreelman; Lucas Westreich; Keith Gorman
Subject: RE: portfolio

Thank you for coming down this morning to discuss the portfolio and portfolio strategy. In comparing our two worksheets, it appears that 9 positions that we kicked out made it back onto your second sheet. We are not willing to include the following 9 positions at the Basal level:

- ARSI 2006-W3
- ARSI 2006-W4
- BSASG 2006-HE2
- CMFT1 2006-NC2
- FHLT 2006-D
- LBM7 2006-WL2
- LBM7 2006-WL3
- MLM1 2006-OPT1
- SURF 2006-SC1

We will provide substitutes for this as well as additional names.

Confidential Treatment Requested by Goldman Sachs
GS MSS-E-002483496
I attach the portfolio you proposed with eight deletions. Two are duplicates and the others are either too assessed or have some other characteristics that make them too risky from our perspective. I understand from Fabrice that EQ names provide sufficient diversification and hope that you will find our counter-proposal acceptable.

Best regards.

Paolo M. Pellegri
Vice President
Paulson & Co. Inc.
500 Madison Avenue, 29th Floor
New York, NY 10022
Phone: (212) 956-1129 (direct)
(212) 956-2221 (main)
(212) 977-4500 (fax)

This e-mail may contain confidential and/or privileged information. If you are not the intended recipient or have received this e-mail in error, please notify the sender immediately and destroy/delete this e-mail. You are hereby notified that any unauthorized copying, disclosure or distribution of the material in this e-mail is strictly prohibited.

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction.

All information contained in this communication is not warranted as to completeness or accuracy and is subject to change without notice. Any comments or statements made in this communication do not necessarily reflect those of Paulson & Co. Inc.
From: Laura Schwartz [lschwartz@azq.com]
Sent: Monday, February 25, 2007 4:28 PM
To: Paulo Pedregal
Cc: Trum, Fabrice; Gent, David; Shih Shu; Kehman, Gail; Keith Gorman
Subject: RE: Revised Portfolio

We are good with this 92 name portfolio. Fabrice/David, can you rerun the downgrade analysis given the structure you will get with an entire Baal portfolio? Thanks

*****************************************************************************
This e-mail is not a contract and is not intended to, and does not, create any obligation. It is not a commitment to insure and is not to be construed as an offer to sell or the solicitation of an offer to buy any security or any insurance product.

The information in this e-mail and in any attachments is confidential and intended solely for the attention and use of the named addressee(s). This information may be subject to legal, professional or other privilege or may otherwise be protected by work product immunity or other legal rules. It must not be disclosed to any person without our authority.

If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, please send a reply e-mail notifying us of the error and delete this e-mail from your system. You are not authorized to and must not disclose, copy, distribute, or retain this message or any part of it.
*****************************************************************************

[Confidential Treatment Requested by Goldman Sachs (GS) Security]
Footnote Exhibits - Page 4810

From: Paolo Pellegini
Sent: Tuesday, February 06, 2007 10:40 AM
To: Toure, Fabricio
Subject: RE: ABACUS Reference Portfolio

Entandu...

From: Toure, Fabricio [mailto:Fabricio.Toure@gs.com]
Sent: Tuesday, February 06, 2007 10:31 AM
To: Paolo Pellegini; Gent, David; Shian Shu
Cc: Raazi, Cactus
Subjects: RE: ABACUS Reference Portfolio

yet we are doing our own due diligence, and would like to compare your results with ours -- just want to make sure we
compare "apple to apple".

From: Paolo Pellegini [mailto:Paolo.Pellegini@paulsonco.com]
Sent: Tuesday, February 06, 2007 10:05 AM
To: Toure, Fabricio; Gent, David; Shian Shu
Cc: Raazi, Cactus
Subjects: RE: ABACUS Reference Portfolio

Fabricre, i assume you are doing your independent due diligence on the portfolio, correct? Does ACA have any fiduciary
duties with respect to due diligence and disclosure? Please let me know. Thanks.
Paolo

From: Toure, Fabricio [mailto:Fabricio.Toure@gs.com]
Sent: Tuesday, February 06, 2007 9:52 AM
To: Paolo Pellegini; Gent, David; Shian Shu
Cc: Raazi, Cactus
Subjects: RE: ABACUS Reference Portfolio

Shian, Paolo, just to make sure, the data you have collected (CE, foreclosure %, BK %) is coming from loan
performance, correct? As of when is the data?

From: Paolo Pellegini [mailto:Paolo.Pellegini@paulsonco.com]
Sent: Tuesday, February 06, 2007 7:41 AM
To: Gent, David; Shian Shu
Cc: Toure, Fabricio; Raazi, Cactus
Subjects: RE: ABACUS Reference Portfolio

We are ok removing ABFC 2006-CP13 M8. However, we prefer removing the M8 tranche of CARN 2006-FRE1 (rated A+ by S&P) rather than the M9 tranche (rated A by S&P). Done?

From: Gent, David [mailto:David.Gent@gs.com]
Sent: Monday, February 05, 2007 10:43 PM
To: Paolo Pellegini; Shian Shu
Cc: Toure, Fabricio; Raazi, Cactus
Subjects: ABACUS Reference Portfolio

Paolo, Shian:

We believe we can create a more efficient capital structure by removing two of the proposed 92 names from the reference portfolio. We propose removing CARR 2006-FRE1 M9 (since we are currently referencing two obligations of the same
issues) and ABFC 2006-CP13 M9 (since it is not explicitly rated by S&P and needs to be notified to BB+ for purpose of
the transaction).

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #1522

FOIA Confidential Treatment Requested by PA

PAULSON-ABACUS 0253248

Footnote Exhibits - Page 4811

From: Tourse, Fabrice
Sent: Monday, February 26, 2007 3:51 PM
To: 'Keith Gorman'
Cc: Laura Schwartz; Gerst, David; Kieftman, Gail
Subject: RE: ABACHUS 2007-AC1 substitutions

Thanks Keith, let us take a look at these names.

Rgts
Fabrice

From: Keith Gorman [mailto:kogorman@aca.com]
Sent: Monday, February 26, 2007 3:51 PM
To: Tourse, Fabrice
Cc: Laura Schwartz; Gerst, David; Kieftman, Gail
Subject: RE: ABACHUS 2007-AC1 substitutions

Fabrice,

Let me know about these:

FFMX 2007-FF2 B2 32030000A4
MBHEL 2007-1 B2 61775000A7
CWL 2007-2 MB 12661900A7
SAAR 2007-NC2 B2 51370900A0
MSAC 2007-MEG B2 61775000A0
CIRASS 2007-C01 MB 12491900A2

Keith X Gorman
Director
ACA Capital
212-375-2421

From: Tourse, Fabrice [mailto:fabrice.tourse@gs.com]
Sent: Monday, February 26, 2007 3:39 PM
To: Keith Gorman
Cc: Laura Schwartz; Gerst, David; Kieftman, Gail
Subject: RE: ABACHUS 2007-AC1 substitutions

Thanks Keith, these names don't work that well. Would you mind showing us 2007-vintage names that you would be ok including 7 4-5 names to pick from would be helpful. Thanks a lot!

Rgts
Fabrice

From: Keith Gorman [mailto:kogorman@aca.com]
Sent: Monday, February 26, 2007 2:24 PM
To: Tourse, Fabrice
Cc: Laura Schwartz
Subject: ABACHUS 2007-AC1 substitutions

Fabrice,

As Laura mentioned to you earlier today, there are 3 positions we would like to substitute in ABACHUS 2007-AC1. They

Confidential Treatment Requested by Goldman Sachs GS MBS-E-0024444861
Footnote Exhibits - Page 4812

741

aw:
07388MAF2  BSABS 2006-HE9 M9
58022XAN6  MILM 2006-HE8 B3
59022VAN1  MILM 2006-OPTI B2

Some recommendations for substitutes are:
12665DN3N6  CRIL 2005-BCS M8
6744CWE82  MSAC 2005-HE8 B2
8635FBN1  SASG 2005-WF4 M8
8635G8R96  SASG 2005-BC4 M8
1739S3AN0  CMALT 2005-WTH4 M9

Please let me know if these work or if I need to look for more names.

Keith X Gorman
Director
ACA Capital
212-375-2421

*******************************************************************************
This e-mail is not a contract and is not intended to, and does not, create any obligation. It is not a commitment to insure and is not to be construed as an offer to sell or the solicitation of an offer to buy any security or any insurance product.

The information in this e-mail and in any attachments is confidential and intended solely for the attention and use of the named addressee(s). This information may be subject to legal, professional or other privilege or may otherwise be protected by work product immunity or other legal rules. It must not be disclosed to any person without our authority.

If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, please send a reply e-mail notifying us of the error and delete this e-mail from your system. You are not authorized to and must not disclose, copy, distribute, or retain this message or any part of it.

*******************************************************************************

Confidential Treatment Requested by Goldman Sachs  QS MBS-E-002444962
CONFIDENTIAL

ABACUS 2007-AC1, LTD.
(Incorporated with limited liability in the Cayman Islands)

ABACUS 2007-AC1, INC.

Class SS Variable Rate Notes
U.S.$50,000,000 Class A-1 Variable Rate Notes, Due 2038
U.S.$142,000,000 Class A-2 Variable Rate Notes, Due 2038

Class B Variable Rate Notes
Class C Variable Rate Notes
Class D Variable Rate Notes
Class F, Variable Rate Notes

ACA Management, L.L.C.
Portfolio Selection Agent

Secured Primarily by (i) the Collateral and (ii) the issuer's rights under (a) the Collateral Put Agreement,
(b) the Basis Swap and (c) as Production Seller, the Credit Default Swap referencing a pool of
Residential Mortgage-backed securities.

The Notes are being offered hereby by Goldman, Sachs & Co. to Qualified Institutional Buyers in the United States in reliance on Rule 144A under the Securities Act. In addition to the offering of the Notes in the United States, Goldman, Sachs & Co., selling through the agent, Goldman Sachs International is concurrently offering the Notes outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act. See “Underwriting.”

The Notes of any Class may be issued in more than one Series due to differences in or more of the date of issuance, the Series Interest Rate, the Approved Currency in which such Notes are denominated, the Stated Maturity, the Non-Call Period and the date from which interest will accrue.

See “Risk Factors” beginning on page 17 to read about factors you should consider before buying the Notes.

There is no established trading market for the Notes. Application will be made to admit the Notes on a stock exchange of the Issuer’s choice, if practicable. There can be no assurance that any such application will be sought, granted or maintained.

It is a condition of the issuance of the Notes hereinafter the Collateral Note that the Class A-1 Notes and the Class A-2 Notes be issued with a rating of “AA” by Moody’s Investors Service, Inc. (“Moody’s”), and “AA” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”). A credit rating is a recommendation to buy, sell or hold securities and may be subject to revision, withdrawal or suspension at any time by the assigning rating agency. See “Ratings of the Notes.”

See “Underwriting” for a discussion of the terms and conditions of the purchase of the Notes by the Initial Purchaser.


The Notes are offered by the Initial Purchaser or its agent as so indicated, subject to its right to reject any order in whole or in part. It is expected that the Global Notes will be held for delivery in locked-out form only in New York, New York, on or about April 26, 2007, through the facilities of the Euroclear System or other persons holding Global Notes issued in Approved Currencies other than Dollars, if any, against payment therefor in immediately available funds. The Notes will have the minimum denominations set forth in “Summary—Notes.”

Goldman, Sachs & Co.


Permanent Subcommittees on Investigations
Wall Street & The Financial Crisis
Report Footnote #5239

GS MBS-E-001918034
This Offering Circular supersedes in all respects all earlier dated Offering
Circulars.

General Notice

The information contained in this Offering Circular has been provided by the Issuers and other
sources identified herein. No representation or warranty, express or implied, is made by the Initial
Purchaser, the Protection Buyer or the Portfolio Selection Agent (except, with respect to the Protection
Buyer only, the information set forth under the heading "The Protection Buyer" and except, with respect to
the Portfolio Selection Agent only, the information set forth under the heading "The Portfolio Selection
Agent") as to the accuracy or completeness of such information, and nothing contained in this Offering
Circular is, or shall be relied upon as, a promise or representation by the Initial Purchaser, the Protection
Buyer or the Portfolio Selection Agent (except, with respect to the Protection Buyer only, the information
set forth under the heading "The Protection Buyer" and except, with respect to the Portfolio Selection
Agent only, the information set forth under the heading "The Portfolio Selection Agent").

The Issuers (and, with respect to the Information contained in this Offering Circular under the
heading "The Protection Buyer", the Protection Buyer and, with respect to the Information contained in
this Offering Circular under the heading "The Portfolio Selection Agent", the Portfolio Selection Agent),
having made all reasonable inquiries, confirm that the Information contained in this Offering Circular is
true and correct in all material respects and is not misleading, that the opinions and Intentions expressed
in this Offering Circular are honestly held and that there are no other facts the omission of which would
make any of such Information or the expression of any such opinions or Intentions misleading. The
Issuers (and, with respect to the Information contained in this Offering Circular under the heading "The
Protection Buyer", the Protection Buyer and, with respect to the Information contained in this Offering
Circular under the heading "The Portfolio Selection Agent", the Portfolio Selection Agent) take
responsibility accordingly.

No person has been authorized to give any information or to make any representation other than
these contained in this Offering Circular, and, if given or made, such information or representation must
not be relied upon as having been authorized. This Offering Circular does not constitute an offer to sell or
the solicitation of an offer to buy any securities other than the Notes.

The delivery of this Offering Circular at any time does not imply that the Information herein is
correct at any time subsequent to the date of this Offering Circular.

Each purchaser of the Notes must comply with all applicable laws and regulations in force in each
jurisdiction in which it purchases, offers or sells such Notes or possesses or distributes this Offering
Circular, and must obtain any consent, approval or permission required for the purchase, offer or sale by
it of such Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which
it makes such purchases, offers or sales, and none of the Issuers or the Initial Purchaser specified herein
shall have any responsibility therefor. Persons into whose possession this Offering Circular comes are
required by the Issuers and the Initial Purchaser to inform themselves about and to observe such
applicable laws and regulations. For a further description of certain restrictions on offering and sales of
the Notes, see "Transfer Restrictions" and "Underwriting". This Offering Circular does not constitute an
offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation
would be unlawful.

No invitation may be made to the public in the Cayman Islands to subscribe for the Notes.

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918035
INFORMATION APPLICABLE TO NON-U.S. INVESTORS

NOTICE TO RESIDENTS OF UNITED KINGDOM

There are restrictions on the offer and sale of the Notes in the United Kingdom. No action has been taken to permit the Notes to be offered to the public in the United Kingdom. This document may only be issued or passed on by reason of, or in connection with, section 21 of the Financial Services and Markets Act 2000 of the United Kingdom. It is the responsibility of all persons under whose control, or into whose possession this document comes, to inform themselves about and to ensure compliance with all applicable provisions of the Public Offers of Securities Regulations 1999 and the Financial Services and Markets Act 2000 in respect of anything done in relation to the Notes in, from or otherwise involving the United Kingdom. See "Underwriting".

NOTICE TO RESIDENTS OF GERMANY

The Notes will not be offered or sold in the Federal Republic of Germany other than in accordance with the German Securities Sales Prospectus Act of December 13, 1990 of the Federal Republic of Germany, as amended (Wertpapierverkaufsprospektgesetz), the German Investment Act of December 19, 2003 of the Federal Republic of Germany, as amended (Investmentsgesetz) and any other legal or regulatory requirements applicable in the Federal Republic of Germany governing the issue, offer and sale of securities. Upon the request of a German investor, the issuer will (i) make available to the German investors the information required pursuant to § 5 (1) sentence 1 nos. 1 and 2 in connection with sentence 3, § 5 (1) sentence 1 no. 4 and § 5 (2) sentence 1 of the Investmentgesetz (the "German Investment Tax Act"), (ii) furnish to the German Federal Tax Office (Bundesamt für Finanzen) upon its request within three months proof of the correctness of the information referred to under clause (i) above in accordance with § 5 (1) sentence 1 no. 5 of the German Investment Tax Act and (iii) make the publication in the electronic edition of the Federal Gazette (elektronischer Bundesanzeiger) required pursuant to § 5 (1) sentence 1 no. 3 of the German Investment Tax Act In the German language. All prospective German investors are urged to seek independent tax advice. The Initial Purchaser does not give tax advice.

NOTICE TO RESIDENTS OF NETHERLANDS

The Notes may not be offered or sold, transferred or delivered, as part of their initial distribution or at any time thereafter, directly or indirectly, to any individual or legal entity in the Netherlands other than to individuals or legal entities who or which trade or invest in securities in the conduct of their profession or trade, which includes banks, securities intermediaries, insurance companies, pension funds, other institutional investors and commercial enterprises which, as an ancillary activity, regularly trade or invest in securities.

NOTICE TO RESIDENTS OF HONG KONG

The Notes may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Notes may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.
NOTICE TO RESIDENTS OF SINGAPORE

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under circumstances in which such offer, sale or invitation does not constitute an offer or sale, or invitation for subscription or purchase, of the Notes to the public in Singapore.

NOTICE TO RESIDENTS OF JAPAN

The Notes have not been registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (1) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (2) in compliance with any other applicable requirements of Japanese law.

INFORMATION APPLICABLE TO U.S. INVESTORS

This Offering Circular is confidential and is being furnished by the Issuers in connection with an offering exempt from registration under the Securities Act, solely for the purpose of enabling a prospective investor to consider the purchase of the Notes described herein. Except as otherwise authorized under the following paragraph, any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Notes is prohibited. Each offeree of the Notes, by accepting delivery of this Offering Circular, agrees to the foregoing.

EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATIONS OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTION AND ALL MATERIALS OF ANY KIND (INCLUDING OPINION OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. HOWEVER, ANY SUCH INFORMATION RELATING TO THE TAX TREATMENT OR TAX STRUCTURE IS REQUIRED TO BE KEPT CONFIDENTIAL TO THE EXTENT REASONABLY NECESSARY TO COMPLY WITH APPLICABLE FEDERAL OR STATE SECURITIES LAWS. FOR PURPOSES OF THIS PARAGRAPH, THE TERMS "TAX TREATMENT", "TAX STRUCTURE", AND "TAX ANALYSES" HAVE THE MEANING GIVEN TO SUCH TERMS UNDER UNITED STATES TREASURY REGULATION SECTION 1.6111-4(e) AND APPLICABLE STATE OR LOCAL LAW.

THE NOTES OFFERED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFRIMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (THE "RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY
REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To permit compliance with the Securities Act in connection with the sale of the Notes in reliance on Rule 144A, the Issuer will be required under the Indenture and the Issuing and Paying Agency Agreement to furnish upon request to a Holder or beneficial owner who is a Qualified Institutional Buyer of a Note sold in reliance on Rule 144A or a prospective investor who is a Qualified Institutional Buyer designated by such Holder or beneficial owner the information required to be delivered under Rule 144A(a)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g-3-2(b) under the Exchange Act.

In accordance with the indenture and the Issuing and Paying Agency Agreement, the Trustee and the Issuing and Paying Agent, as applicable, also will make available for inspection by Holders of the Notes certain reports or communications received from the Issuer.

Prior to making an investment decision, prospective investors should ensure that they have sufficient knowledge, experience and access to professional advisors to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Notes and should carefully consider the nature of the Notes, the matters set forth elsewhere in this Offering Circular and the extent of their exposure to the risks described in “Risk Factors”.

Confidential Treatment Requested by Goldman Sachs
TRANSACTION OVERVIEW

This overview is not complete and is qualified in its entirety by reference to (i) the detailed information appearing elsewhere in this Offering Circular, (ii) the terms and conditions of the Notes and (iii) the provisions of the documents referred to in this Offering Circular.

1. **Credit Default Swap**
   - **Fixed Payment**: 
   - **Cash Settlement Amounts**

2. **Stand Swap**
   - **Applicable Index**: 
   - **Collateral Interest Amount**:
     - **ABACUS 2007-AC1, Ltd.**
     - **ABACUS 2007-AC1, Inc.**

3. **Collateralized Payment Receivables**
   - **Applicable Index**: 
   - **Collateral Interest Amount**:

On or prior to the Closing Date, the initial Reference Portfolio will be selected by the Portfolio Selection Agent.

On the Closing Date, the Notes will be issued in the Principal Amount set forth in the “Summary-Rates”. From time to time following the Closing Date, additional Notes of any Class may be issued.

The Issuer will use the net proceeds of the offering of the Notes, together with part or all of the Interest Payment, to purchase the initial Collateral Security and Eligible Investments selected by the Protection Buyer, provided that, for each Applicable Currency, the aggregate principal amount of Collateral Security and Eligible Investments denominated in such Applicable Currency and purchased with the proceeds of the Offering and issued as a Note is at least 10% of the Currency Adjusted Aggregate Outstanding Amount of Notes and Notes of the same Class denominated in such Applicable Currency.

On the Closing Date, the Issuer and Goldman Sachs Capital Markets, L.P., as the Protection Buyer, will enter into the Credit Default Swap whereby the Issuer (x) pays to the Protection Buyer the interest on the Reference Portfolio in respect of the Subordinated Debt (y) receives from the Protection Buyer an amount equal to the return on the Reference Portfolio in respect of the Subordinated Debt. Following the occurrence of a Credit Event and the satisfaction of the Conversion to Settlement, the Issuer will pay to the Protection Buyer an amount equal to the Collateral Interest Amount. If the return on the Credit Default Swap Contract exceeds the return on the Reference Portfolio, the Issuer will pay to the Protection Buyer an amount equal to the difference between the return on the Credit Default Swap Contract and the return on the Reference Portfolio. If the return on the Credit Default Swap Contract is less than the return on the Reference Portfolio, the Protection Buyer will pay to the Issuer an amount equal to the difference between the return on the Reference Portfolio and the return on the Credit Default Swap Contract.

On the Closing Date, the Issuer and Goldman Sachs Capital Markets, L.P., as the Protection Buyer, will enter into the Collateralized Payment Receivables Swap whereby the Issuer (x) pays to the Protection Buyer the Interest Payment on the Reference Portfolio in respect of the Subordinated Debt (y) receives from the Protection Buyer an amount equal to the return on the Reference Portfolio in respect of the Subordinated Debt. Following the occurrence of a Credit Event and the satisfaction of the Conversion to Settlement, the Issuer will pay to the Protection Buyer an amount equal to the Collateral Interest Amount. If the return on the Collateralized Payment Receivables Swap Contract exceeds the return on the Reference Portfolio, the Issuer will pay to the Protection Buyer an amount equal to the difference between the return on the Collateralized Payment Receivables Swap Contract and the return on the Reference Portfolio. If the return on the Collateralized Payment Receivables Swap Contract is less than the return on the Reference Portfolio, the Protection Buyer will pay to the Issuer an amount equal to the difference between the return on the Reference Portfolio and the return on the Collateralized Payment Receivables Swap Contract.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918040
SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Offering Circular. For a discussion of certain factors to be considered in connection with an investment in the Notes, see "Risk Factors".

Capitalized terms used herein but not defined shall have the meanings set forth under "Glossary of Defined Terms".

The Issuer.......................... ABACLUS 2007-AC1, Ltd. (the "Issuer"), a company incorporated under the laws of the Cayman Islands for the sole purpose of issuing the Notes, acquiring the Collateral, entering into the Credit Default Swap, the Basis Swap, the Collateral Put Agreement and the Portfolio Selection Agreement and engaging in certain related transactions.

The Issuer will not have any material assets other than (i) the Collateral, (ii) its rights under the Credit Default Swap, the Basis Swap, the Collateral Put Agreement and the Portfolio Selection Agreement and (iii) certain other assets.

ABACLUS 2007-AC1, Inc. (the "Co-Issuer") and, together with the Issuer, the "Issuers", a company incorporated under the laws of the State of Delaware for the sole purpose of co-issuing the Co-Issued Notes.

The Co-Issuer will not have any assets (other than $10 of equity capital) and will not pledge any assets to secure the Notes. The Co-Issuer will have no claim against the Issuer in respect of the Issuer Assets.

The authorized share capital of the Issuer consists of 500 ordinary shares, par value $1.00 per share (the "Issuer Ordinary Shares"). 500 of which will be issued on or prior to the Closing Date. The Issuer Ordinary Shares that have been issued will be held by Magpies Finance Limited, a licensed trust company incorporated in the Cayman Islands and any successor thereto (the "Administrator"), as the trustee pursuant to the terms of a charitable trust (the "Share Trustee"). The common stock of the Co-Issuer will be held by the Issuer.

The Portfolio Selection Agent...... The Initial Reference Portfolio will be selected by ACA Management, LLC. ("ACA Management") and in such capacity, the "Portfolio Selection Agent" pursuant to the terms of the Portfolio Selection Agreement, dated as of the Closing Date (the "Portfolio Selection Agreement"), between the Issuer and the Portfolio Selection Agent. The Portfolio Selection Agent will not provide any other services to the Issuer or act as the "collateral manager" for the Collateral. The Portfolio Selection Agent will not have any fiduciary duties or other duties to the Issuer or to the holders of the Notes and will not have any ability to direct the Trustee to dispose of any items of Collateral. See "The Portfolio Selection Agent" and "The Portfolio Selection Agreement".
The Issuer Notes will be issued in accordance with one or more deeds of covenant (each, a "Deed of Covenant") and will be subject to the Issuing and Paying Agency Agreement, dated as of the Closing Date including the terms and conditions of such Notes contained therein (the "Issuing and Paying Agency Agreement"). The Issuing and Paying Agency Agreement, between the Issuer and LaSalle Bank National Association, as Issuing and Paying Agent (in such capacity, the "Issuing and Paying Agent"). See "Description of Notes—The Issuing and Paying Agency Agreement."

Status and Subordination

The Co-Issued Notes will be limited recourse obligations of the Issuer and the Issuer Notes will be limited recourse obligations of the Issuer. On (i) each Payment Date and (ii) any other Business Day on which Currency Adjusted Notional Principal Adjustment Amounts are paid by the Issuer to the Noteholders, the Class SG Notes will be senior in right of payment to the Class A-1 Notes; the Class A-1 Notes will be senior in right of payment to the Class A-2 Notes; the Class A-2 Notes will be senior in right of payment to the Class B Notes; the Class B Notes will be senior in right of payment to the Class C Notes; the Class C Notes will be senior in right of payment to the Class D Notes and the Class D Notes will be senior in right of payment to the Class FL Notes.

Use of Proceeds

The aggregate net proceeds of the offering of the Notes are expected to equal approximately $192,000,000 (including the USD Equivalent of the Notes denominated in Approved Currencies other than Dollars). The Issuer will use such net proceeds, together with part or all of the Upfront Payment, to purchase Collateral Securities and Eligible Investments that will have an aggregate principal amount of at least $192,000,000 (including the USD Equivalent of the Collateral Securities denominated in Approved Currencies other than Dollars); provided that, for each Approved Currency, the aggregate principal amount of Collateral Securities and Eligible Investments denominated in such Approved Currency and purchased with the proceeds of the offering will equal or exceed the Currency Adjusted Aggregate Outstanding Amount of Notes denominated in such Approved Currency on the Closing Date.

Distributions of Interest Proceeds

Interest Proceeds will be distributable monthly to Holders of the Notes in accordance with the Priority of Payments. See "Description of Notes—Priority of Payments."

Non-Call Period

With respect to each Series of Notes issued on the Closing Date, the period from the Closing Date to and including the Business Day immediately preceding the April 2009 Payment Date and, with respect to any Series of Notes issued after the Closing Date, the period designated for such Series at the time of issuance in the related offering circular supplement (the "Non-Call Period"). So long as the Non-Call Period for each Series of Notes Outstanding has expired, the Notes will be redeemed in full at

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001916043
the option of the Protection Buyer if the Protection Buyer elects to terminate the Credit Default Swap prior to the Scheduled Termination Date and certain conditions are satisfied. See "Description of the Notes—Optional Redemption in Whole and Partial Optional Redemption", "Description of the Notes—Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date and Mandatory Redemption Date" and "The Credit Default Swap—Credit Default Swap Early Termination—Credit Default Swap Termination Events".

After the applicable Non-Call Period, one or more Series of Notes may be redeemed in full if the Protection Buyer, in its sole discretion, elects to redeem such Series prior to its Stated Maturity and certain conditions are satisfied, in addition, if the Protection Buyer and/or one or more Affiliates thereof acquire any Notes prior to the end of the related Series' applicable Non-Call Period (such Notes, "Protection Buyer Notes"), such Notes may be redeemed notwithstanding that any such redemption may occur during the applicable Non-Call Period. See "Description of the Notes—Optional Redemption in Whole and Partial Optional Redemption", "Description of the Notes—Priority of Payments—Principal Proceeds—Other Payment Dates" and "The Credit Default Swap—Payments—Payment on a Partial Optional Redemption Date".

### Principal Payments on the Notes

The following table sets forth the general circumstances and dates upon which Holders of the Notes will receive principal payments on their Notes prior to the Stated Maturity:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date of Payment</th>
<th>Amounts Payable in accordance with the Priority of Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment of Currency Adjusted Notional Principal Adjustment Amounts</td>
<td>The Payment Date immediately following the Due Period in which such amounts were Credit Default Swap Calculation Agent</td>
<td>Notional Principal Adjustment Amounts</td>
</tr>
<tr>
<td>Optional Redemption is in Whole due to an optional termination of the Credit Default Swap by the Protection Buyer</td>
<td>Any Payment Date after the expiration of the Non-Call Period for each Series of Notes Outstanding</td>
<td>Currency Adjusted Aggregate Outstanding Amounts plus, if the aggregate outstanding amount of Notes of a Reversible Loss Series has not been obtained, with respect to each such Reversible Loss Series, the Optional Reimbursement Amount</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-5-001918044
### Footnote Exhibits - Page 4824

<table>
<thead>
<tr>
<th>Event</th>
<th>Date of Payment</th>
<th>Amount to Pay in accordance with the Priority of Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partial Optional Redemption due to the Prior written Notice by the Protection Buyer to redeem one or more Series of Notes in full</td>
<td>Any Payment Date after the applicable Non-Call Period</td>
<td>Currency Adjusted Aggregate Outstanding Balance of each Series of Notes being redeemed plus, if any such Series is a Reversible Loss Series, the Payment Amount of each holder of such Reversible Loss Series has not been obtained, the Optional Redemption Reimbursement Amount of such Reversible Loss Series</td>
</tr>
<tr>
<td>Partial Optional Redemption due to the Prior written Notice by the Protection Buyer to redeem one or more Series of Notes in full</td>
<td>Any Payment Date</td>
<td>Currency Adjusted Aggregate Outstanding Balance of each Series of Notes being redeemed plus, if any such Series is a Reversible Loss Series, the Payment Amount of each holder of such Reversible Loss Series has not been obtained, the Optional Redemption Reimbursement Amount of such Reversible Loss Series</td>
</tr>
<tr>
<td>Mandatory Redemption (other than a Mandatory Redemption in accordance with a 3) terminations of the Cash Flow forward pursuant to which the Protection Buyer is the defeasance party, 3 terminations of the Collateral-Put Agreement pursuant to which the Protection Buyer is the defeasance party or 3 terminations of the Cash Flow forward pursuant to which the Protection Buyer is the defeasance party)</td>
<td>Any Business Day</td>
<td>Principal Proceeds</td>
</tr>
<tr>
<td>Mandatory Redemption (other than as described above)</td>
<td>Any Business Day</td>
<td>Principal Proceeds</td>
</tr>
</tbody>
</table>

See "Description of the Notes—Principal", "Description of the Notes—Optional Redemption in Whole and Partial Optional"
Redemption", "Description of the Notes—Mandatory Redemption", "Description of the Notes—Priority of Payments" and "Description of the Notes—The Indenture—Events of Default".

Decrease in the Class Notional Amount of each Class of Notes

The Class Notional Amount of each Class of Notes will be decreased by an amount (as expressed in Dollars) equal to:

(i) on the 5th Business Day following the calculation of any Loss Amount, if greater than zero, the lesser of (a) the aggregate Loss Amount determined on the related Credit Default Swap Calculation Date times (b) the Class Notional Amount of all Classes of Notes that are subordinated to such Class immediately prior to such determination and (ii) the Class Notional Amount of such Class immediately prior to such determination (such amount, the "Uncapped Credit Event Adjustment Amount"); and

(ii) on the Payment Date immediately following the Due Period in which such Reference Obligation Amortization Amount is determined by the Credit Default Swap Calculation Agent on one or more Reference Obligation(s), if greater than zero, the lesser of (a) the aggregate Notional Principal Amount allocable on such date less (b) the Class Notional Amount of all Classes of Notes that are senior to such Class immediately prior to such determination, and (ii) the Class Notional Amount of such Class immediately prior to such determination (such amount, the "Uncapped Notional Principal Adjustment Amount").

On any date of determination, increases and decreases to the Class Notional Amount of any Class of Notes will be determined by giving effect, in the following order: (i) aggregate Loss Amount (if any), (ii) aggregate Reference Obligation Reimbursement Amount (if any), and (iii) aggregate Notional Principal Amount (if any).

See "Description of Notes—Principal".

Increase in the Class Notional Amount of each Class of Notes

On the Payment Date immediately following the Due Period during which a Reference Obligation Reimbursement Amount is determined by the Credit Default Swap Calculation Agent with respect to one or more Reference Obligation(s), and so long as such Reference Obligation(s) remains in the Reference Portfolio at the time of such Reference Obligation Reimbursement, the Class Notional Amount of each Class of Notes will be increased by an amount (as expressed in Dollars) equal to, if greater than zero, the lesser of (i) such Reference Obligation Reimbursement Amount less the sum of the OIE Class Notional Amount...
Differentials for the Classes of Notes that are senior to such Class immediately prior to such determination, and (ii) the ICE Class Notional Amount Differential of such Class immediately prior to such determination (such amount, the "Unscaled Reimbursement Adjustment Amount") (if any).

On any date of determination, increases and decreases to the Class Notional Amount of any Class of Notes will be determined by giving effect, in the following order, to the (i) aggregate Loss Amount (if any), (ii) aggregate Reference Obligation Reimbursement Amount (if any) and (iii) aggregate Notional Principal Amount (if any).

See "Description of Notes—Principal".

Decrease in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes

The Aggregate USD Equivalent Outstanding Amount of each Class of Notes will be decreased by an amount (as expressed in Dollars) equal to:

(i) the holder Business Day following the calculation of any Loss Amount, without paying any principal on such Class of Notes, the product of (a) the related Unscaled Credit Event Adjustment Amount and (b) the related Note Scaling Factor (such amount determined under this subclause (i), the "Credit Event Adjustment Amount");

(ii) the Payment Date immediately following the Due Period in which a Reference Obligation Amortization Amount is determined by the Credit Default Swap Calculation Agent on one or more Reference Obligation(s), a payment of principal representing the product of (a) the related Unscaled Notional Principal Adjustment Amount and (b) the related Note Scaling Factor (such amount determined under this subclause (ii), the "Notional Principal Adjustment Amount");

(iii) on any Stated Maturity related to a Series of such Class, after giving effect to clauses (i) and (iv) above, the Aggregate USD Equivalent Outstanding Amount of each such Series maturing on such date; and

(iv) on a Partial Optional Redemption Date, after giving effect to clauses (i) through (iii) above, with respect to a Class of Notes for which (A) one or more Series of such Class is redeemed in full on such date or (B) Protection Buyer Notes are redeemed, in each case in connection with a Partial Optional Redemption, a payment of principal representing the Aggregate USD Equivalent Outstanding Amount of the Notes of such Class redeemed in connection with such Partial Optional Redemption.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918047
For the avoidance of doubt, with respect to a Class with more than one Series Outstanding at such time of determination, any pre-rate allocations made on such date pursuant to subclauses (i) through (iv) above will be based on the Aggregate USD Equivalent Outstanding Amount of each applicable Series of such Class, as expressed in Dollars.

On any date of determination, increases and decreases to the Aggregate USD Equivalent Outstanding Amount of any Class of Notes will be determined by giving effect, in the following order, to (i) the aggregate related Unsecured Credit Event Adjustment Amount (if any), (ii) the aggregate related Unsecured Reinstatement Adjustment Amount (if any) and (iii) the aggregate related Unsecured Principal Adjustment Amount (if any).

See “Description of Notes—Principal”.

The Aggregate USD Equivalent Outstanding Amount of each Class of Notes will be increased by an amount (as expressed in Dollars) equal to:

(i) on the Payment Date immediately following the Due Period during which a Reference Obligation Reimbursement Amount is determined by the Credit Default Swap Calculation Agent (with the related Currency Adjusted Reinstatement Adjustment Amount other than with respect to that portion of Reference Obligation Repayment Amount which will be applied to make principal payments on the Notes on such Payment Date) to be invested in Collateral Securities, or pending such investment, in Eligible Investments, as described under “—The Collateral Securities”), the product of (a) the related Unsecured Reinstatement Adjustment Amount and (b) the related Note Scaling Factor with respect to each Class of Notes (such amount, the “Reinstatement Adjustment Amount”); provided that the Aggregate USD Equivalent Outstanding Amount of each Class of Notes may only be increased by an amount less than or equal to the ICE Aggregate USD Equivalent Outstanding Amount Differential of such Class; and

(ii) on any day on which additional Notes of such Class are issued, the principal amount of each additional issuance (or the USD Equivalent of such principal amount if issued in an Approved Currency other than Dollars).

For the avoidance of doubt, with respect to a Class with more than one Series Outstanding at such time of determination, any pre-rate allocations made on such date pursuant to subclause (i) above will be based on the Aggregate USD Equivalent Outstanding Amount of each Series of such Class, as expressed in Dollars.
Decrease in the Currency Adjusted Aggregate Outstanding Amount of each Series of Notes

The Currency Adjusted Aggregate Outstanding Amount of any Series of Notes will be decreased, with respect to (A) any event described under clauses (i) and (ii) of "Decrease in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes", by an amount equal to the quotient of (a) such Notes’ allocation of any related Credit Event Adjustment Amount or National Principal Adjustment Amount, as applicable, divided by (b) the Applicable Series Foreign Exchange Rate (such quotient, the "Currency Adjusted Credit Event Adjustment Amount" or the "Currency Adjusted National Principal Adjustment Amount", as applicable), (ii) on the Stated Maturity with respect to a Series of Notes, the Currency Adjusted Aggregate Outstanding Amount of such Notes maturing on such date, after giving effect to any reductions pursuant to subclauses (A) above and (C) a Partial Optional Redemption of such Notes, by the Currency Adjusted Aggregate Outstanding Amount of such Notes, after giving effect to any reductions pursuant to subclauses (A) and (B) above.

Increase in the Currency Adjusted Aggregate Outstanding Amount of each Series of Notes

The Currency Adjusted Aggregate Outstanding Amount of any Series of Notes will be increased, with respect to any event described under clause (i) of "Increase in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes", by an amount equal to the quotient of (a) such Notes’ allocation of any related Reinstatement Adjustment Amount divided by (b) the Applicable Series Foreign Exchange Rate (such quotient, the "Currency Adjusted Reinstatement Adjustment Amount").

Cancellation of Notes

A Class of Notes will be deemed to be cancelled and no longer outstanding on the date that the ICE Class National Amount of such Class has been reduced to zero.

The Credit Default Swap

Credit Default Swap

On or prior to the Closing Date, the Issuer will enter into a credit default swap transaction (the "Credit Default Swap") with Goldman Sachs Capital Markets, L.P. (in such capacity, the "Protection Buyer") pursuant to which the Issuer will sell credit protection to the Protection Buyer with respect to a portfolio of Reference Obligations consisting of RMBS.

Documentation

The Credit Default Swap will be documented by a confirmation that will be governed by, from part of and be subject to a 1992 Master Agreement (Multicurrency-Cross-Border) (the "ISDA Master Agreement") published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and Schedule thereto. The definitions and provisions of the ISDA Credit Derivatives Definitions will be incorporated into the Credit Default Swap by reference (as supplemented by the May 2003 Supplement to such definitions published by ISDA), subject to certain
amendments as set out in the Credit Default Swap. The Credit
Default Swap will be governed by New York law.

Reference Portfolio ............... On the Closing Date, it is expected that the Credit Default Swap
will reference 90 Reference Obligations (collectively, the
"Reference Portfolio"). See Schedule A.

The Protection Buyer is not required to have any credit exposure
to any Reference Entity or any Reference Obligation.

Modification of the Reference Portfolio ............... The Reference Portfolio is static and no replacement Reference Obligations may be included in the Reference Portfolio.
Following the redemption or amortization in full of a Reference Obligation, the Reference Obligation that has been redeemed or amortized in full, will be removed from the Reference Portfolio. Subject to the foregoing, if the Reference Obligation National Amount of a Reference Obligation that suffered one or more Credit Events is reduced to zero at any time on or prior to the Scheduled Termination Date and remains at zero for a period of one calendar year, such Reference Obligation shall be removed from the Reference Portfolio as of the last day of such one calendar year period; provided that, if such Reference Obligation that suffered one or more Credit Events experiences a Reference Obligation Reimbursement for which the Reference Obligation Repayment Amount equals the ICE Reference Obligation National Amount Differential of such Reference Obligation immediately prior to such determination, the Reference Obligation shall be removed from the Reference Portfolio immediately following the determination of such Reference Obligation Repayment Amount by the Credit Default Swap Calculation Agent.

Credit Events ..................... The following Credit Events (each a "Credit Event") shall apply
with respect to each Reference Obligation:

(i) Failure to Pay Principal, or
(ii) Waivedown.

See "The Credit Default Swap—Credit Events".

Conditions to Settlement ............ The "Conditions to Settlement" will be satisfied upon delivery
to the Issuer and the Trustee of a Credit Event Notice and a
Notice of Publicly Available Information.

Notifying Party ..................... The Protection Buyer.

Credit Default Swap Calculation Agent .......... Goldman Sachs Capital Markets, L.P. will be the calculation agent (in this capacity the "Credit Default Swap Calculation Agent") under the Credit Default Swap.

Settlement Method ................ Cash.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918050
Footnote Exhibits - Page 4830

Loss Amount

On the Business Day on which the Protection Buyer satisfied the Conditions to Settlement (in each case, a "Credit Default Swap Calculation Date"). the Credit Default Swap Calculation Agent will determine the loss amount (a "Loss Amount") with respect to the related Credit Event as follows:

(a) with respect to a Defaulted, the Loss Amount will be an amount equal to the related Defaulted Amount; and

(b) with respect to a Failure to Pay Principal, the Loss Amount will be an amount equal to the related Principal Shortfall Amount.

Cash Settlement Amount

On the fifth Business Day following a Credit Default Swap Calculation Date (a "Cash Default Swap Settlement Date"), subject to the provisions described in the following paragraph, the issuer will pay to the Protection Buyer an amount (a "Cash Settlement Amount") equal to the aggregate of any Currency Adjusted Credit Event Adjustment Amounts determined as such day payable in the currency of such Currency Adjusted Credit Event Adjustment Amounts.

Pursuant to the terms of the Credit Default Swap, if the liquidation proceeds of Eligible Investments and Collateral Securities would have been sufficient to pay a Cash Settlement Amount had such Collateral (other than Put Excluded Collateral) been liquidated at least at 100% of par (instead of below 100% of par), the issuer will be deemed to have paid such Cash Settlement Amount in full upon the Protection Buyer’s receipt of the actual related liquidation proceeds.

See "The Credit Default Swap—Payments".

Reimbursement following a Credit Event

If, after the occurrence of a Credit Event, a Reference Obligation Reimbursement occurs with respect to the related Reference Obligation, and so long as such Reference Obligation remains in the Reference Portfolio at the time of such Reference Obligation Reimbursement, the Protection Buyer will pay to the Issuer, on the Payment Date immediately following the Due Period during which the related Reference Obligation Reimbursement Amount is determined by the Credit Default Swap Calculation Agent, an amount equal to the aggregate of:

(a) the Currency Adjusted Restatement Adjustment Amounts payable on such date; and

(b) the ICE Currency Adjusted Interest Reimbursement Amounts payable on such date.

Credit Default Swap Early Termination

The Credit Default Swap may be terminated by the Issuer or by the Protection Buyer ("Credit Default Swap Early Termination") at the option of the non-defaulting or non-affected party, as applicable, upon the occurrence of a Credit Default Swap Event of Default or a Credit Default Swap Termination Event. Upon the Trustee becoming aware of the occurrence of
any event that gives rise to the right of the Issuer to terminate the Credit Default Swap, the Basis Swap or the Collateral Put Agreement, the Trustee or the Issuing and Paying Agent, as applicable, will as promptly as practicable notify the Noteholders of such event and will terminate any such agreement on behalf of the Issuer at the direction of (i) in the case of the Credit Default Swap or the Basis Swap, a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes and (ii) in the case of the Collateral Put Agreement, 100% of the Aggregate USD Equivalent Outstanding Amount of the Notes, in each case voting as a single class. In connection with any Noteholder vote to terminate the Collateral Put Agreement, any Notes held by or on behalf of the Collateral Put Provider or any of its Affiliates will have no voting rights and will be deemed not to be Outstanding in connection with any such vote.

See "The Credit Default Swap—Credit Default Swap Early Termination".

The Collateral Securities

The Initial Collateral Securities...  On the Closing Date, the Issuer will use part of the proceeds of the offering to purchase at least $192,000,000 principal amount of Collateral Securities and Eligible Investments selected by the Protection Buyer as described in "The Collateral Securities—The Initial Collateral Securities" (including the USD Equivalent of the Notes denominated in Approved Currencies other than Dollars); provided that, for each Approved Currency, the aggregate principal amount of Collateral Securities and Eligible Investments denominated in such Approved Currency and purchased with the proceeds of the offering will equal or exceed the Currency Adjusted Aggregate Outstanding Amount of Notes denominated in such Approved Currency on the Closing Date.

Supplemental Collateral Securities

Substitution Any Noteholder may request that the Issuer substitute one or more Collateral Securities in accordance with the terms of the Indenture.

See "Collateral Securities—Substitution of Collateral Securities".

Purchase of Supplemental Collateral Securities  Upon or subsequent to:

(i) the redemption or amortization, in whole or in part, of a Collateral Security (an "Amortized Collateral Security") and the principal amount of such redemption or amortization, the "Collateral Security Amortization Amount");

(ii) the additional issuance of Notes from time to time on any Payment Date after the Closing Date (the principal amount of such issuance, the "Additional Issuance Principal Amount").
(i) the receipt of Disposition Proceeds in connection with the liquidation of any principal amount of a Collateral Security in excess of the amount necessary to pay any Cash Settlement Amount, Currency Adjusted Notional Principal Adjustment Amount or in connection with a Partial Optional Redemption or a Stated Maturity (for the avoidance of doubt, excluding any Excess Disposition Proceeds) (such excess principal amount, the “Excess Principal Amount”), or

(iv) the issuer’s receipt of a Currency Adjusted Reinstatement Adjustment Amount (other than with respect to that portion of any Reference Obligation Repayment Amount which shall be applied to make principal payments on the Notes on such Payment Date),

the Protection Buyer may, in its sole discretion, direct the Issuer to purchase (and the Issuer shall so purchase) one or more replacement Collateral Securities or additional Collateral Securities (together, the “Supplemental Collateral Securities”), as the case may be, subject to (a) the Collateral Security Eligibility Criteria, (b) the Collateral Weighted Average Life Test and (c) the Collateral Security Quantity Constraint (in each case as confirmed by the Collateral Administrator based on information and calculations supplied by the Credit Default Swap Calculation Agent).

provided that (1) in the case of clauses (i) and (ii) above, such Supplemental Collateral Securities will be denominated in the same Approved Currency as the Collateral Security that has been amortized, redeemed, or otherwise disposed of and (2) in the case of clauses (iii) and (v) above, such Supplemental Collateral Securities will be denominated in the same currency as such Notes that are issued or reinstated. See “The Collateral Securities—Supplemental Collateral Securities”.

Pending any such reinvestment, the Issuer will invest the Collateral Security Amortization Amount, Additional Issuance Principal Amount, Excess Principal Amount or Currency Adjusted Reinstatement Adjustment Amount, as the case may be, in Eligible Investments.

If the Issuer liquidates a Collateral Security in order to pay a Cash Settlement Amount, a Currency Adjusted Notional Principal Adjustment Amount or in connection with a Partial Optional Redemption or a Stated Maturity, as the case may be, and the Issuer receives Disposition Proceeds in respect of such Collateral Security which exceed 100% of the principal amount of such Collateral Security (the excess proceeds described above, excluding any accrued and unpaid interest, “Excess Disposition Proceeds”), the Protection Buyer may, in its sole discretion, direct the Issuer to use such Excess Disposition Proceeds to purchase (and the Issuer shall so purchase) one or more Supplemental Collateral Securities in any Approved Currency, subject to clauses (iv), (v) and (vi) through (viii) of the Collateral Security Eligibility Criteria (as confirmed by the Collateral Administrator based on information and calculations supplied by the Credit Default Swap Calculation Agent).
"The Collateral Securities—Supplemental Collateral Securities": Pending any such reinvestment, the Issuer will invest such excess disposition proceeds in eligible investments.

Liquidation of Collateral Securities

The Collateral Securities will only be liquidated in connection with the events described below:

(i) On a Credit Default Swap Calculation Date, the Issuer or the Trustee will notify the Collateral Disposal Agent to liquidate Collateral Securities in an amount (assuming that the Issuer will receive at least 100% of par for such Collateral Securities in any such liquidation, other than Put-Excluded Collateral) that, when added to the proceeds from the liquidation of any Eligible Investments (assuming that the Issuer will receive at least 100% of par for such Eligible Investments, other than Put-Excluded Collateral), would be sufficient to pay the Protection Buyer the Cash Settlement Amount on the related Credit Default Swap Settlement Date;

(ii) Five Business Days prior to the Payment Date immediately following the Due Period in which a Reference Obligation Amortization Amount is determined, in each case by the Credit Default Swap Calculation Agent on one or more Reference Obligations(s), if any Currency-Adjusted Notional Principal Adjustment Amount will be paid to any Noteholders by the Issuer on the related Payment Date, the Issuer or the Trustee will notify the Collateral Disposal Agent to liquidate Collateral Securities in an amount (assuming that the Issuer will receive at least 100% of par for such Collateral Securities in any such liquidation, other than in connection with any Put-Excluded Collateral) that, when added to the proceeds from the liquidation of any Eligible Investments (assuming that the Issuer will receive at least 100% of par for such Eligible Investments, other than Put-Excluded Collateral), would be sufficient to pay to the applicable Noteholders such Currency-Adjusted Notional Principal Adjustment Amount on the related Payment Date (provided that if the Issuer will not receive at least 100% of par for a Selected Collateral Security, such Selected Collateral Security (other than Put-Excluded Collateral) will not be liquidated but the Trustee will instead deliver such Selected Collateral Security to the Collateral Put Provider in exchange for the payment by the Collateral Put Provider to the Issuer of an amount equal to a price of 100% for any such Selected Collateral Security, plus accrued and unpaid interest thereon);

(iii) After the occurrence and continuation of an Event of Default, if the Trustee is directed to liquidate the Collateral Securities in accordance with the terms of the
Footnote Exhibits - Page 4834

In connection with any Optional Redemption in Whole, the issuer or the Trustee will notify the Collateral Disposal Agent to liquidate all Collateral Securities provided that if the issuer will not receive at least 100% of par for a Selected Collateral Security, such Selected Collateral Security (other than Put Excluded Collateral) will not be liquidated but the Trustee will instead deliver such Selected Collateral Security to the Collateral Put Provider in exchange for the payment by the Collateral Put Provider to the issuer of an amount equal to 100% of par for such Selected Collateral Security, plus accrued and unpaid interest thereon.

In connection with any Partial Optional Redemption, the issuer or the Trustee will notify the Collateral Disposal Agent to liquidate Collateral Securities in an amount (assuming that the issuer will receive at least 100% of par for such Collateral Securities in any such liquidation, other than Put Excluded Collateral) that, when added to the proceeds from the liquidation of any Eligible Investments (assuming that the issuer will receive at least 100% of par for such Eligible Investments, other than Put Excluded Collateral), would be sufficient to pay to the applicable Noteholders the principal amount of such Notes redeemed in connection with such Partial Optional Redemption provided that if the issuer will not receive at least 100% of par for a Selected Collateral Security, such Selected Collateral Security (other than Put Excluded Collateral) will not be liquidated but the Trustee will instead deliver such Selected Collateral Security to the Collateral Put Provider in exchange for the payment by the Collateral Put Provider to the issuer of an amount equal to 100% of par for such Selected Collateral Security, plus accrued and unpaid interest thereon.

In connection with a Mandatory Redemption other than a Mandatory Redemption caused by a (a) termination of the Credit Default Swap pursuant to which the Protection Buyer is the defaulting party, (b) termination of the Collateral Put Agreement pursuant to which the Collateral Put Provider is the defaulting party or (c) termination of the Basis Swap pursuant to which the Basis Swap Counterparty is the defaulting party, the issuer or the Trustee will notify the Collateral Disposal Agent to liquidate all Collateral Securities.

In connection with a Mandatory Redemption other than as described in subclause (vi) above, Collateral Securities will be selected for liquidation and/or delivery to Noteholders pursuant to the Special Termination Liquidation Procedure.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918055
in connection with the Stated Maturity of any Series of Notes, the Issuer or Trustee will notify the Collateral Disposal Agent to liquidate Collateral Securities in an amount (assuming that the Issuer will receive at least 100% of par for such Collateral Securities) in any such liquidation, other than Put Excluded Collateral. If, when added to the proceeds from the liquidation of any Eligible Investments (assuming that the Issuer will receive at least 100% of par for such Eligible Investments, other than Put Excluded Collateral), would be sufficient to pay the applicable Noteholders the principal amount of such Notes maturing on the related Stated Maturity (provided that if the Issuer will not receive at least 100% of par for a Selected Collateral Security, such Selected Collateral Security (other than Put Excluded Collateral) will not be liquidated but the Trustee will instead deliver such Selected Collateral Security to the Collateral Put Provider in exchange for the payment by the Collateral Put Provider to the Issuer of an amount equal to 100% of par for such Selected Collateral Security, plus accrued and unpaid interest thereon); and

(b) in connection with the satisfaction of the replacement Counterparty Procedures, the Issuer, or the Trustees on behalf of the Issuer, will notify the Collateral Disposal Agent to liquidate all Collateral Securities.

The Credit Default Swap Calculation Agent will prepare information and calculations for (i) the Collateral Administrator for use in the Collateral Administrator’s confirmation of compliance of the Collateral (after the proposed addition of a Collateral Security) with any of the Collateral Security Eligibility Criteria, the Collateral Weighted Average Life Test and the Collateral Security Quantity Constraint, and (ii) the Trustee for use in the Trustee’s confirmation of the BBR Collateral Security Eligibility Criteria.

To the extent there is any difference between any of the Collateral Administrator’s or the Trustee’s (as the case may be) and the Credit Default Swap Calculation Agent’s determination of the satisfaction of any of the Collateral Security Eligibility Criteria, the Collateral Weighted Average Life Test or the Collateral Security Quantity Constraint, the Collateral Administrator will use commercially reasonable efforts to resolve such difference.

For the avoidance of doubt, the obligations of the Collateral Administrator under the Collateral Administration Agreement are
The Collateral Disposal Agreement

On or prior to the Closing Date, the Issuer will enter into a collateral disposal agreement (the "Collateral Disposal Agreement") with Goldman Sachs & Co. (in such capacity, the "Collateral Disposal Agent").

Terms

Pursuant to the terms of the Collateral Disposal Agreement, the Collateral Disposal Agent will (a) subject to subclause (b) below in connection with any partial liquidation of the portfolio of Collateral Securities, choose theSelected Collateral Securities to be liquidated (provided that no such Selected Collateral Securities will be denominated in the same currency as the Notes, the Currency Adjusted Aggregate Outstanding Amount of which is reduced by the related Credit Event Adjustment Amount, Notional Principal Adjustment Amount, Partial Optional Redemption or Stated Maturity), (ii) in connection with any liquidation of any Collateral Security, solicit bids on behalf of the Issuer and (iii) in connection with any liquidation of Collateral Securities as described in subclause (iv) under "The Collateral Securities—Liquidation of Collateral Securities", perform the acts described under "Description of the Notes—Mandatory Redemption", including, but not limited to, those acts described in the Special Terminations—Liquidation Procedures.

Additional Issuance

The Notes of any Class may be issued from time to time following the Closing Date. See "Description of the Notes—The Indenture—Additional Issuance".

Governing Law

The Co-Issued Notes, the Indenture, the Issuing and Paying Agency Agreement, the Credit Default Swap, the Basis Swap, the Collateral Put Agreement, the Collateral Disposal Agreement and the Portfolio Selection Agreement will be governed by, and construed in accordance with, the laws of the State of New York, and the Issuer Notes, the terms and conditions of the Issuer Notes (as set forth in the Issuing and Paying Agency Agreement) and each Deed of Covenant will be governed by, and construed in accordance with, the laws of the Cayman Islands.
<table>
<thead>
<tr>
<th>Listing and Trading</th>
<th>There is no established trading market for the Notes. Application will be made to admit the Notes on a stock exchange of the issuer's choice, if practicable. There can be no assurance that such admission will be sought, granted or maintained. See &quot;Listing and General Information&quot;.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Status</td>
<td>See &quot;Income Tax Considerations&quot;.</td>
</tr>
<tr>
<td>ERISA Considerations</td>
<td>See &quot;ERISA Considerations&quot;.</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs
RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider, in addition to the matters set forth elsewhere in this Offering Circular, the following factors:

Limited Liquidity and Restrictions on Transfer. There is currently no market for the Notes. Although the initial Purchaser has advised the Issuers that it intends to make a market in the Notes, the Initial Purchaser is not obligated to do so, and any such market-making with respect to the Notes may be discontinued at any time without notice. There can be no assurance that any secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of such Notes with liquidity of investment or that it will continue for the life of such Notes. Consequently, a purchaser must be prepared to hold the Notes for an indefinite period of time or until Stated Maturity. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer, the Co-Issuer or any of their officers or directors to register under, or otherwise be subject to, the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the Securities Act or any state securities laws, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees as described herein under “Transfer Restrictions”. Such restrictions on the transfer of the Notes may further limit their liquidity. See “Transfer Restrictions”. Application will be made to list the Notes on a stock exchange of the Issuer’s choice, if practicable, but there can be no assurance that such admission will be sought, granted or maintained.

Limited Recourse Obligations. The Co-Issuer Notes will be limited recourse obligations of the Issuers and the Issuer Notes will be limited recourse obligations of the Issuer, payable solely from the Issuer Assets pledged by the Issuer to secure the Notes. None of the Noteholders, the Initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent, the Portfolio Selection Agent, the Trustee, the Issuing and Pledging Agent, the Administrator, the Share Trustee or any Affiliate of any of the foregoing of the Issuer or any other person or entity will be obligated to make payments on the Notes. Accordingly, holders of the Notes must rely solely on distributions on the Issuer Assets pledged to secure the Notes for the payment of principal and interest thereon. If distributions on the Issuer Assets are insufficient to make payments on the Notes, no other assets (and, in particular, no assets of the Noteholders, the Initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent, the Portfolio Selection Agent, the Trustee, the Issuing and Pledging Agent, the Administrator, the Share Trustee or any Affiliate of any of the foregoing) will be available for payment of the deficiency and following realization of the Issuer Assets pledged to secure the Notes, the obligations of the Issuer to pay such deficiency shall be extinguished and shall not thereafter revive. Each Holder of a Note by its acceptance of such Note agrees to be deemed to have agreed not to take any action or institute any proceedings against the Issuer under any insolvency law applicable to the Issuer or which would be likely to cause the Issuer to be subject to, or to seek the protection of, any insolvency law applicable to the Issuer, subject to certain limited exceptions.

Subordination of the Notes. The rights of the Holders of the Notes with respect to the Issuer Assets will be subject to prior claims of the Trustee, the Issuing and Pledging Agent, the Portfolio Selection Agent, the Protection Buyer, the Basis Swap Counterparty and the Collateral Put Provider, and may be subject to the claims of any other creditor of the Issuer that is entitled to priority as a matter of law or by virtue of any nonconsensual lien that such creditor has on the Issuer Assets or pursuant to the Priority of Payments.

The Class A-1 Notes are subordinated to the Class SS Notes, Class A-2 Notes are subordinated to the Class A-1 Notes, the Class B Notes are subordinated to the Class A-2 Notes, the Class C Notes are subordinated to the Class B Notes, the Class D Notes are subordinated to the Class C Notes and the Class FL Notes are subordinated to the Class D Notes, in each case as described under “Summary—
Notes—Status and Subordination. No payments of interest from Interest Proceeds will be made on any Class of Notes on any Payment Date until current and defaulted interest on the Notes of each Class to which such Class is subordinated has been paid, and no payments of principal will be made on any such Class of Notes (i) on any Payment Date or (ii) any Business Day on which payments of Currency Adjusted Principal Adjustment Amounts are paid by the Issuer to the Noteholders, until principal of the Notes of each Class to which such Class is subordinated has been paid in accordance with the Priority of Payments described herein. See “Description of the Notes—Priority of Payments”.

In addition, if an Event of Default occurs, a Majority of the Aggregated USD Equivalent Outstanding Amount of the Notes voting as a single class will be entitled to determine the remedies to be exercised under the Indenture including the sale and liquidation of the Collateral in accordance with the procedures set forth in the Indenture. Remedies pursued by a Majority of the Aggregated USD Equivalent Outstanding Amount of the Notes voting as a single class could be adverse to the interests of the Holders of a particular Class or Classes of Notes. See “Description of the Notes—The Indenture—Events of Default.”

Mandatory Redemption and the Special Termination Liquidation Procedure. If a Mandatory Redemption occurs and the Special Termination Liquidation Procedure is applied, the Holders of the Class SS Notes, the Class A Notes, the Class B Notes and the Class C Notes voting as a single class will be entitled to determine whether Collateral Securities allocated to such Classes of Notes will be liquidated or delivered to such Noteholders in accordance with the Special Termination Liquidation Procedure. With respect to any of the Class SS Notes, the Class A Notes, the Class B Notes and the Class C Notes, such determination through voting as a single class could be adverse to the interests of the Holders of the Classes of Notes subordinated to such senior Classes, as the case may be, as Holders of any such senior Classes of Notes may elect to receive Collateral Securities with a market value in excess of the aggregated USD Equivalent Outstanding Amount of such senior Classes of Notes (plus accrued and unpaid interest thereon) rather than have the Collateral Securities allocated to such senior Classes liquidated, which would allow Holders of subordinated Classes of Notes to benefit from the liquidation of such Collateral Securities at a premium. See “Description of the Notes—Mandatory Redemption”.

Leverage. The aggregated USD Equivalent Outstanding Amount of the Notes will be $1,920,000,000 on the Closing Date (including, for the avoidance of doubt, the USD Equivalent of the Notes denominated in Approved Currencies other than Dollars). However, the Reference Portfolio National Amount will equal $2,000,000,000 on the Closing Date, which amount represents the aggregated Reference Obligation National Amount on the Closing Date. Through the Credit Default Swap, investors in the Notes will be effectively protecting the Protection Buyer’s loss protection with respect to each Reference Obligation up to the Reference Obligation National Amount of such Reference Obligation. Losses incurred will be borne by the Noteholders. Since the Reference Portfolio National Amount for the Reference Portfolio exceeds the aggregated USD Equivalent Outstanding Amount of the Notes, investors in the Notes are providing such loss protection to the Protection Buyer on a leveraged basis.

Volatility. Because investors in the Notes are providing loss protection to the Protection Buyer on a leveraged basis, the market value of the Notes may be subject to changes that are greater than the changes in market value that might occur to the Reference Portfolio. The market value of the Notes may vary over time and could be significantly less than par (or even zero) in certain circumstances.

Credit Leakage of the Notes. The Credit Default Swap will be linked to the credit of the Reference Entities. The amount payable in respect of principal of the Notes will depend upon, among other factors, whether and to the extent Credit Events have occurred under the Credit Default Swap. Under the Credit Default Swap, upon the occurrence of a Credit Event and the satisfaction of the Conditions to Settlement, the issuer will be obligated to pay the Protection Buyer a Cash Settlement Amount in an amount equal to any Currency Adjusted Credit Event Adjustment Amount. Any Cash Settlement Amount paid by the issuer will reduce the Aggregated USD Equivalent Outstanding Amount of the Notes (in reverse order of

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-001918061
Footnote Exhibits - Page 4841

seniority. See "Summary—Notes—Decrease in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes". Except in the limited circumstances as described under "Summary—Notes—Increase in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes", a decrease in the Aggregate USD Equivalent Outstanding Amount of the Notes will be permanent and irreversable and the Noteholders will never receive a payment of principal in the amount of such decrease and from and after the date of such decrease, no interest will accrue on the amount of such decrease. See "—Subordination of the Notes" and "Description of the Notes—Priority of Payments".

Cash Available to Make Payments on the Notes. The ability of the Issuer to make payments on the Notes will depend primarily on several factors. To the extent (i) one or more Credit Events occur, (ii) the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider or the Collateral Disposal Agent fails to perform its obligations or (iii) there is a default in payments due in respect of any Collateral, the amount of available cash to make payments on the Notes in accordance with the Priority of Payments will be reduced. In addition, in the event that an Event of Default occurs in respect of the Notes or on the Mandatory Redemption Date, the Issuer may not be able to pay the principal of the Notes as a result of (a) paying unpaid Credit Default Swap Termination Payments, if any, owing to the Protection Buyer, (b) paying unpaid Basis Swap Termination Payments, if any, owing to the Basis Swap Counterparty, (c) amounts owed to the Collateral Put Provider pursuant to the Collateral Put Agreement and (d) the then applicable market value of the Collateral Securities being less than their principal amount. In the case of a Mandatory Redemption, the Holders of any subordinated Class of Notes could be adversely affected as described under "—Mandatory Redemption and the Special Cancellation and Payment Procedure". See "Description of the Notes—Mandatory Redemption".

Retention of a Portfolio Selection Agent. The Issuer will retain a portfolio selection agent to select the Initial Reference Portfolio, but following the Closing Date the Reference Portfolio will be static, subject to modification only in connection with the amortization of the Reference Portfolio. The Portfolio Selection Agent will provide any other services to the Issuer or act as the "collateral manager" for the Collateral. The Portfolio Selection Agent will not have any fiduciary duties or other duties to the Issuer or to the holders of the Notes and will not have any ability to direct the Trustee to dispose of any items of Collateral.

Interest Payments. Interest payments will be made on the Notes. The ability of the Issuer to make interest payments on the Notes prior to the occurrence of a Credit Default Swap Early Termination or a Basis Swap Early Termination will be dependent on its receipt of payments from the Protection Buyer under the Credit Default Swap and the Basis Swap Counterparty under the Basis Swap. The Issuer's primary sources of funds to make interest payments on the Notes will be the availability of funds available for distribution to the Issuer's primary sources of funds to make interest payments on the Notes. The Issuer will hold an amount of cash equal to the amount of interest payments due under the Notes for twenty-five days from the date of the most recent interest payment due on the Notes. The Issuer will hold an amount of cash equal to the amount of interest payments due under the Basis Swap for twenty-five days from the date of the most recent interest payment due on the Basis Swap. The Issuer will hold an amount of cash equal to the amount of interest payments due under the Credit Default Swap for twenty-five days from the date of the most recent interest payment due on the Credit Default Swap. The Issuer will hold an amount of cash equal to the amount of interest payments due under the Basis Swap for twenty-five days from the date of the most recent interest payment due on the Basis Swap. The Issuer will hold an amount of cash equal to the amount of interest payments due under the Credit Default Swap for twenty-five days from the date of the most recent interest payment due on the Credit Default Swap.

The Insolvency of the Protection Buyer will be a Credit Default Swap Event of Default under the Credit Default Swap. In the event of the insolvency of the Protection Buyer, the Issuer will be treated as a general creditor of the Protection Buyer. Additionally, certain events with respect to a Credit Default Swap Early Termination (which can occur due to the Insolvency of the Protection Buyer) will result in a Mandatory Redemption. Upon the occurrence of a Mandatory Redemption, the Trustee will liquidate all or a portion of the Collateral and will make any payments due to the Protection Buyer pursuant to the Credit Default Swap (other than a Protection Buyer Default Termination Payment), the Basis Swap Counterparty pursuant to the Basis Swap (other than a Basis Swap Counterparty Default Termination Payment) and the Collateral Put Provider pursuant to the Collateral Put Agreement prior to making
Footnote Exhibits - Page 4842

payments to the Noteholders. Under such circumstances, Noteholders may not receive sufficient funds to repay the principal of the Notes and, as a result, Noteholders should expect to lose a substantial part, if not all, of their principal investment in the Notes and to receive no interest on the Notes. In addition, in the case of a Mandatory Redemption, the Holders of any subordinated Class of Notes could be adversely affected as described under "—Mandatory Redemption and the Special Termination Liquidation Procedure". See "Description of the Notes—Mandatory Redemption".

The insolvency of the Basis Swap Counterparty will be a Basis Swap Event of Default under the Basis Swap. In the event of the insolvency of the Basis Swap Counterparty, the Issuer will be treated as a general creditor of the Basis Swap Counterparty. Additionally, certain events with respect to a Basis Swap Early Termination (which can occur due to the insolvency of the Basis Swap Counterparty) will result in a Mandatory Redemption. Upon the occurrence of a Mandatory Redemption, the Trustee will liquidate the Collateral and will make any payments due to the Protection Buyer pursuant to the Credit Default Swap (other than a Protection Buyer Default Termination Payment), the Basis Swap Counterparty pursuant to the Basis Swap (other than a Basis Swap Counterparty Default Termination Payment) and the Collateral Put Provider pursuant to the Collateral Put Agreement prior to making payments to the Noteholders. Under such circumstances, Noteholders may not receive sufficient funds to repay the principal of the Notes and, as a result, Noteholders should expect to lose a substantial part, if not all, of their principal investment in the Notes and to receive no interest on the Notes. In addition, in the case of a Mandatory Redemption, the Holders of any subordinated Class of Notes could be adversely affected as described under "—Mandatory Redemption and the Special Termination Liquidation Procedure". See "Description of the Notes—Mandatory Redemption".

Collateral Put Provider Default. In connection with an Optional Redemption in Whole, a Partial Optional Redemption, a Stated Maturity of any Series of Notes or the payment of any Currency Adjusted Principal Adjustment Amount by the Issuer to the Noteholders, if (x) the Collateral Disposal Agent is unable to obtain at least 100% of par for a Selected Collateral Security and/or (y) the Trustee is unable to obtain at least 100% of par for the Eligible Investments in each case (i) other than Post-liquidation Collateral and (ii) excluding any accrued and unpaid interest, the Collateral Disposal Agent will inform the Trustee and the Issuer (in the case of (x) above) and the Trustee will inform the Issuer (in the case of (y) above), who will then direct the Issuer to exercise the Issuer’s rights under the Collateral Put Agreement pursuant to which the Issuer will deliver such Selected Collateral Security and/or such Eligible Investment to the Collateral Put Provider in exchange for 100% of the principal amount of such Selected Collateral Security and/or such Eligible Investments (less accrued and unpaid interest). If a Collateral Put Provider defaults in its obligations under the Collateral Put Agreement, the Collateral Disposal Agent will be required to liquidate the Collateral in an amount which may be insufficient to pay such Currency Adjusted Principal Adjustment Amount or to redeem the Notes in full (in connection with an Optional Redemption in Whole) or in part (in connection with a Partial Optional Redemption) or the Holders of any subordinated Class of Notes could be adversely affected as described under "—Mandatory Redemption and the Special Termination Liquidation Procedure". See "Description of the Notes—Mandatory Redemption".

No Claims on the Reference Entities. The Credit Default Swap does not constitute a purchaser or other acquisition or assignment of any interest in any obligation of any Reference Entity. The Issuer will have a contractual relationship only with the Protection Buyer and not with any Reference Entity, and generally will have no rights to enforce directly compliance by any Reference Entity with the terms of its obligations that are referred to in the Credit Default Swap, nor rights of set-off against a Reference Entity, and no voting rights with respect to any Reference Entity. The Issuer will not directly benefit from any collateral securing the obligations of the Reference Entities, and the Issuer will not have the benefit of the remedies that would normally be available to a holder of such secured obligation.

To the extent that the Protection Buyer, the Credit Default Swap Calculation Agent, the Portfolio Selection Agent or any of their affiliates holds any obligation of a Reference Entity, neither the Protection Buyer, the Credit Default Swap Calculation Agent, the Portfolio Selection Agent nor any of their affiliates

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918063
will be, or will be deemed to be acting as, the issuer’s agent or trustee in connection with the exercise of, or the failure to exercise, any of the rights or powers of the Protection Buyer, the Credit Default Swap Calculation Agent, the Portfolio Selection Agent or any of their affiliates arising under or in connection with its or their holding of any such obligation. None of the issuer, the Trustee, the Issuing and Paying Agent, nor any Holder of any Note will have any right to acquire from the Protection Buyer, the Credit Default Swap Calculation Agent, the Portfolio Selection Agent or any of their affiliates (or to require the Protection Buyer, the Credit Default Swap Calculation Agent or any of their affiliates to transfer, assign or otherwise dispose of any interest in any Reference Obligation or other obligation of any Reference Entity pursuant to the Credit Default Swap. Furthermore, to the extent that the Protection Buyer, the Credit Default Swap Calculation Agent, the Portfolio Selection Agent or any of their affiliates holds any obligation of a Reference Entity, none of the Protection Buyer, the Credit Default Swap Calculation Agent, the Portfolio Selection Agent or any of their affiliates will grant the issuer, the Trustee or the Issuing and Paying Agent any security interest in such obligation.

In addition, in the event of the bankruptcy or insolvency of the Protection Buyer, the issuer will be treated as a general creditor of the Protection Buyer and will not have any claim with respect to the Reference Entities. Consequently, the issuer will be subject to the credit risk of the Protection Buyer as well as that of the Reference Entities.

Limited Provision of Information about Reference Obligations/Reference Entities. This Offering Circular does not provide any information with respect to any Reference Obligation or Reference Entity other than that contained in a description of the Reference Portfolio set forth under “The Credit Default Swap—The Reference Portfolio.” As the occurrence of a Credit Event may result in a permanent decrease in the amounts payable in respect of the Notes, investors should review the list of Reference Obligations set forth herein and conduct their own investigation and analysis with respect to the creditworthiness of each Reference Obligation and the likelihood of the occurrence of a Credit Event with respect to each Reference Entity and Reference Obligation.

The Protection Buyer and its affiliates and/or the Portfolio Selection Agent or its affiliates may have information, including material, non-public information, regarding the Reference Obligations and the Reference Entities. Neither the Protection Buyer nor the Portfolio Selection Agent will provide the issuer, the Trustee, the Issuing and Paying Agent, any Noteholder or any other Person with any such information. In addition, neither the Protection Buyer nor the Portfolio Selection Agent will provide the issuer, the Trustee, the Issuing and Paying Agent, any Noteholder or any other Person with any such information that is public (including financial information or notices), except in the case of information pertaining to one or more Credit Events with respect to each Reference Entity and one or more Reference Obligation(s) of such Reference Entity in connection with which the Protection Buyer is seeking payment of one or more Cash Settlement Amounts.

The issuer will be required pursuant to the Indenture to provide the Noteholders with periodic reports. See “Description of the Notes—The Indenture—Reports Prepared Pursuant to the Indenture.” None of the Initial Purchaser, the Protection Buyer, the Portfolio Selection Agent or any of their respective affiliates has any obligation to keep the issuer, the Trustee, the Issuing and Paying Agent or the Noteholders informed as to any other matters with respect to any Reference Entity or any Reference Obligation, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event with respect to any Reference Obligation or a Reference Entity. None of the issuer, the Trustee, the Issuing and Paying Agent or the Noteholders will have the right to inspect any records of the Initial Purchaser, the Protection Buyer, the Portfolio Selection Agent or any of their respective affiliates. Except for the information contained in this Offering Circular, none of the Initial Purchaser, the Protection Buyer, the Portfolio Selection Agent and any of their respective affiliates will have any obligation to disclose any information or evidence regarding the existence or terms of any obligation of any Reference Entity or any matters arising in relation thereto or otherwise regarding any Reference Entity, any guarantor or any other person.
Concentration Risk. The concentration of the Reference Obligations in the Reference Portfolio in any one particular type of Structured Product Security subjects the Notes to a greater degree of risk with respect to credit defaults within such type of Structured Product Security. Investors should review the list of Reference Obligations set forth in and conduct their own investigation and analysis with regard to each Reference Obligation. See “The Credit Default Swap—The Reference Portfolio”.

Collateral Default. To the extent that defaults occur with respect to any Collateral, a Mandatory Redemption will occur and the Collateral Disposal Agent will be required to liquidate the Collateral Securities. Thereafter, liquidation proceeds will be applied in accordance with ‘Description of the Notes—Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date’. Depending on the market value of the remaining Collateral and the value of the Credit Default Swap and the Basis Swap at such time, the proceeds of such liquidation may not be sufficient to pay the unpaid principal and interest on all of the Notes.

Assets included in the Reference Portfolio or held as Collateral Securities. The risks generally described below under Commercial Mortgage-Backed Securities, Residential Mortgage-Backed Securities, CDO Cashflow Securities and Asset-Backed Securities could affect payments on the Notes to the extent any such asset is (i) included in the Reference Portfolio as a Reference Obligation and experiences a Credit Event or (ii) held by the Issuer as a Collateral Security and subsequently experiences a Collateral Default.

Commercial Mortgage-Backed Securities. The Collateral Securities may include Commercial Mortgage-Backed Securities.

CMBS bear various risks, including credit, market, interest rate, structural and legal risks. CMBS are backed by obligations (including certificates of participation in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, rental apartments, self-storage, nursing homes and senior living centers. Risks affecting real estate investments include general economic conditions, the condition of financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The cyclical and leverage associated with real estate-related investments have historically resulted in periods, including significant periods, of adverse performance, including performance that may be materially more adverse than the performance associated with other investments. In addition, commercial mortgage loans generally lack standardized terms, tend to have shorter maturities than residential mortgage loans and may provide for the payment of all or substantially all of the principal only at maturity. Additional risks may be presented by the type and use of a particular commercial property. For instance, commercial properties that operate as hospitals and nursing homes may present special risks to lenders due to the significant governmental regulations of the ownership, operation, maintenance and financing of health care institutions. Hotel and motel properties are often operated pursuant to franchise, management or operating agreements which may be terminable by the franchisor or operator, and the transferrability of a hotel’s operating, liquor and other licenses upon a transfer of the hotel, whether through purchase or foreclosure, is subject to local law requirements. All of these factors increase the risks involved with commercial real estate lending. Commercial lending is generally viewed as exposing a lender to a greater risk of loss than residential one-to-four family lending since it typically involves larger loans to a single borrower than residential one-to-four family lending.

Commercial mortgage lenders typically look to the debt service coverage ratio of a loan secured by income-producing property as an important measure of the risk of default on such a loan. Commercial property values and net operating income are subject to volatility, and net operating income may be sufficient or insufficient to cover debt service on the related mortgage loan at any given time. The repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project rather than upon the liquidation value of the underlying real property.
estate. Furthermore, the net operating income from and value of any commercial property may be adversely affected by risks generally incident to interests in real property, including events which the borrower or manager of the property, or the issuer or servicer of the related issuance of commercial mortgage-backed securities, may be unable to predict or control, such as changes in general or local economic conditions and/or specific industry segments; declines in real estate values; declines in rental or occupancy rates; increases in interest rates, real estate tax rates and other operating expenses; changes in governmental rules, regulations and fiscal policies; acts of God; and social unrest and civil disturbances. The value of commercial real estate is also subject to a number of laws, such as laws regarding environmental clean-up and limitations on remedies imposed by bankruptcy laws and state laws regarding foreclosures and rights of redemption. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS.

A commercial property may not readily be converted to an alternative use in the event that the operation of such commercial property for its original purpose becomes unprofitable. In such cases, the conversion of the commercial property to an alternative use would generally require substantial capital expenditures. Thus, if the borrower becomes unable to meet its obligations under the related commercial mortgage loan, the liquidation value of any such commercial property may be substantially less, relative to the amount outstanding on the related commercial mortgage loan, than would be the case if such commercial property were readily adaptable to other uses. The exercise of remedies and successful realization of liquidation proceeds may be highly dependent on the performance of CMBS servicers or special servicers, of which there may be a limited number, and which may have conflicts of interest in any given situation. The failure of the performance of such CMBS servicers or special servicers could result in cash flow delays and losses on the related issue of CMBS.

At any time, a portfolio of CMBS may be backed by commercial mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the commercial mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations.

Mortgage loans underlying a CMBS issue may provide for no amortization of principal or may provide for amortization based on a schedule substantially longer than the maturity of the mortgage loans, resulting in a "balloon" payment due at maturity. If the underlying mortgage borrower experiences business problems, or other factors limit refinancing alternatives, such balloon payment mortgages are likely to experience payment delays or even default. As a result, the related issue of CMBS could experience delays in cash flow and losses.

In addition, interest payments on CMBS may be subject to an available funds-cap and/or a weighted average coupon cap (which cap will, in each case, have the practical effect of deferring part or all of such interest payments) if interest rate rises substantially.

Residential Mortgage-Backed Securities. The Reference Obligations will include and the Collateral Securities may include Residential Mortgage-Backed Securities.

RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one- to four-family residential mortgage-loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by Agencies and the securities issued are guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a
residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans may include so-called "jumbo" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, such portfolio of RMBS may experience increased losses.

Each underlying residential mortgage loan in an issue of RMBS may have a balloon payment due on its maturity date. Balloon residential mortgage loans involve a greater risk to a lender than self-amortizing loans, because the ability of a borrower to pay such amount will normally depend on its ability to obtain refinancing of the related mortgage loan or sell the related mortgaged property at a price sufficient to permit the borrower to make the balloon payment, which will depend on a number of factors prevailing at the time such refinancing or sale is required, including, without limitation, the strength of the residential real estate markets, tax laws, the financial situation and operating history of the underlying property, interest rates and general economic conditions. If the borrower is unable to make such balloon payment, the related issue of RMBS may experience losses.

In addition, interest payments on RMBS may be subject to an available funds cap and/or a weighted average coupon cap (which cap will, in such case, have the practical effect of deferring part or all of such interest payments) if interest rate rises substantially.

Structural and Legal Risks of CMBS and RMBS. Residential mortgage loans in an issue of RMBS may be subject to various federal and state laws, public policies and principles of equity that protect consumers, which among other things may regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Violation of certain provisions of these laws, public policies and principles may limit the servicer's ability to collect all or part of the principal or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could result also in cash flow delays and losses on the related issue of RMBS.

In addition, structural and legal risks of CMBS and RMBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (or, in the event of any other entity or affiliate), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer and could be subject to claims of the originator or the servicer. Challenges based on such doctrines could result in cash flow delays and losses on the related issue of CMBS or RMBS.

It is not expected that CMBS or RMBS (other than the RMBS Agency Securities) will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Distributions on CMBS and RMBS will depend solely upon the amount and timing of payments and other collections on the related underlying mortgage loans.

Some of the CMBS may, and the RMBS referenced in the Initial Reference Portfolio will, be subordinated to one or more other senior classes of securities of the same series for purposes of, among other things, offsetting losses and other shortfalls with respect to the related underlying mortgage loans. In addition, in the case of CMBS and certain RMBS, no distributions of principal will generally be made with respect to any class until the aggregate principal balances of the corresponding senior classes
Footnote Exhibits - Page 4847

securities have been reduced to zero. As a result, the subordinate classes are more sensitive to risk of loss and write-downs than senior classes of such securities.

CDO Cashflow Securities. The Collateral Securities may include CDO Cashflow Securities. CDO Cashflow Securities generally are limited recourse obligations of the issuer thereof payable solely from the underlying assets of the issuer ("CDO Collateral") or proceeds thereof. Consequently, CDO Cashflow Securities must rely solely on distributions on the underlying CDO Collateral or proceeds thereof for payment in respect thereof. If distributions on the underlying CDO Collateral are insufficient to make payments on the CDO Cashflow Securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer to pay such deficiency shall be extinguished.

CDO Cashflow Securities are subject to credit, liquidity and interest rate risks. CDO Collateral may consist of high yield debt securities, loans, structured finance securities and other debt instruments. High yield debt securities are generally unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The below investment grade ratings of high yield securities reflect a greater possibility that adverse changes in the financial condition of an issuer in general economic conditions or both may impair the ability of the issuer to make payments of principal or interest. Such investments may be speculative.

Issuers of CDO Cashflow Securities may acquire interests in loans and other debt obligations by way of assignment or participation. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution.

CDO Cashflow Securities are subject to interest rate risk. The CDO Collateral of an issuer of CDO Cashflow Securities may bear interest at a fixed (floating) rate while the CDO Cashflow Securities issued by such issuer may bear interest at a floating (fixed) rate. As a result, there could be a floating/fixed rate or basis mismatch between such CDO Cashflow Securities and CDO Collateral which bears interest at a fixed rate and there may be a timing mismatch between the CDO Cashflow Securities and assets that bear interest at a floating rate as the interest rate on such assets bearing interest at a floating rate may adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the CDO Cashflow Securities. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability to make payments on the CDO Cashflow Securities.

In addition, certain CDO Cashflow Securities may by their terms defer payment of interest or pay interest "in-arrears".

Asset-Backed Securities. The Collateral Securities may include Asset-Backed Securities. The structure of an Asset-Backed Security and the terms of the investors' interest in the collateral can vary widely depending on the type of collateral, the desires of investors and the use of credit enhancements. Individual transactions can differ markedly in both structure and execution. Important determinants of the risk associated with issuing, acquiring synthetic exposure through the Credit Default Swap or holding Asset-Backed Securities include the relative seniority or subordination of the class of Asset-Backed Securities, the relative allocation of principal and interest payments in the priorities by which such payments are made under the governing documents, how credit losses affect the issuing vehicle and the returns on the different classes, whether collateral represents a fixed set of specific assets or accounts, whether the underlying collateral assets are revolving or closed-end, under what terms (including maturity of the asset-backed instrument) any remaining balance in the accounts may revert to the issuing company and the extent to which the company that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to any of the classes of securities. With respect to some types of Asset-Backed Securities, the risk is more closely correlated with the default risk on corporate bonds of similar terms and maturities than with the performance of a pool of receivables. In

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918068
addition, certain Asset-Backed Securities (particularly subordinated Asset-Backed Securities) provide that the non-payment of interest in cash on such securities will not constitute an event of default in certain circumstances and the holders of such securities will not have available to them any associated default remedies.

Holders of Asset-Backed Securities bear various risks, including credit risks, liquidity risks, interest rate risks, market risks, operations risk, structural risks and legal risks. Credit risk arises from losses due to defaults by the borrowers in the underlying collateral and the issuer's or servicer's failure to perform. These two elements may be related, as, for example, in the case of a servicer which does not provide adequate credit-review scrutiny to the serviced portfolio, leading to higher incidence of defaults. Market risk arises from the cash flow characteristics of the security, which for most Asset-Backed Securities tend to be predictable. The greatest variability in cash flows comes from credit performance, including the presence of wind-down or acceleration features designed to protect the investor in the event that credit losses in the portfolio rise well above expected levels. Interest rate risk arises for the issuer from the relationship between the pricing terms on the underlying collateral and the terms of the rate paid to holders of securities and from the need to risk to maintain the asset servicing or spread account proceeds carried on the balance sheet. For the holder of the security, interest rate risk depends on the expected life of the Asset-Backed Securities which may depend on prepayments on the underlying assets or the occurrence of wind-down or termination events.

If the servicer becomes subject to financial difficulty or otherwise ceases to be able to carry out its functions, it may be difficult to find other acceptable substitute servicers and cash flow disruptions or losses may occur, particularly with non-standard receivables or receivables originated by private retailers who collect many of the payments at their store. Structural and legal risks include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and reductions on the Asset-Backed Securities. Other similar risks relate to the degree to which cash flows on the assets of the issuer may be commingled with those on the originator's other assets.

Recent Developments in Subprime Residential Mortgage Lending. Recently, delinquencies, defaults and losses on residential mortgage loans have increased and may continue to increase, which may affect the performance of RMBS, in particular RMBS Residential B/C Mortgage Securities which are backed by subprime mortgage loans. Subprime mortgage losses are generally made to borrowers with lower credit scores. Accordingly, mortgage losses backing RMBS Residential B/C Mortgage Securities are more sensitive to economic factors that could affect the ability of borrowers to pay their obligations under the mortgage loans backing these securities. Market interest rates have been increasing and accordingly, with respect to adjustable rate mortgage loans and hybrid mortgage loans that have or will enter their adjustable-rate period, borrowers are likely to experience increases in their monthly payments and become increasingly likely to default on their payments obligations. Discovery of fraudulent mortgage loan applications in connection with rising default rates with respect to subprime mortgage loans may indicate that the risks with respect to those mortgage loans are particularly acute at this time. Such risks may result in further increases in default rates by subprime borrowers as it becomes more difficult for them to obtain refinancing.

These economic trends have been accompanied by a recent downward trend in rates of refinance of property values that is continued period of increase in property values. Because subprime mortgage loans generally have higher loan-to-value ratios, recoveries on defaulted mortgage loans are more likely to result in payment in full of amounts owed under such mortgage loans, resulting in higher net losses than would have been the case had property values remained the same or increased. A decline in property values will particularly impact recoveries on second lien mortgage loans that may be included in the mortgage pools backing RMBS Residential B/C Mortgage Securities.
Structural features of RMBS may contribute to the impact of increased delinquencies and defaults and lower recoveries on the underlying mortgage pool. In particular, there may be a decline in the interest rate payable under those RMBS structured to limit interest payable to investors based on a weighted average coupon cap. Mortgage loans bearing interest at a higher rate will have a greater tendency to default than those with lower mortgage rates. Such defaults will reduce the weighted average coupon of the underlying mortgage loans and accordingly the interest rate payable to investors in the related RMBS. In addition, delinquencies, defaults and lower recoveries on underlying mortgage loans will reduce interest and principal actually paid to investors to less than the amounts owed to investors in accordance with the terms of their RMBS. RMBS may not be structured with significant or any collateralization, so performance will be sensitive to delays or reductions in payments, particularly in the case of subordinated tranches of RMBS. To the extent that RMBS provide for write-downs of principal, interest will cease to accrue on the portion of principal of an RMBS that has been written down.

RMBS may provide that the servicer is required to make advances in respect of delinquent mortgage loans. However, servicers experiencing financial difficulties may not be able to perform these obligations. Servicers who have sought bankruptcy protection may, due to application of the provisions of bankruptcy law, not be required to advance such amounts. Even if a servicer were able to advance amounts in respect of delinquent mortgage loans, its obligation to make such advances may be limited to the extent that it does not expect to recover such advances due to the deteriorating credit of the delinquent mortgage loans. In addition, a servicer's obligation to make such advances may be limited to the amount of its servicing fee.

Recently, a number of originators and servicers of mortgage loans have experienced serious financial difficulties and, in some cases, have entered bankruptcy proceedings. These difficulties have resulted in part from declining markets for their mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults or for breaches of representations regarding loan quality. Such financial difficulties may have a negative effect on the ability of servicers to pursue collection on mortgage loans that are experiencing increased delinquencies and defaults and to maximize recoveries on sale of underlying properties following foreclosures. The inability of the originator to repurchase such mortgage loans in the event of early payment defaults and other loan representation breaches may also affect the performance of RMBS backed by those mortgage loans.

Under certain circumstances, including a failure to perform its servicing obligations or a bankruptcy of the servicer, investors will be entitled to remove and replace the existing servicer. There is no guarantee, however, that a suitable servicer could be found to assume the obligations of the existing servicer, and the transition of servicing responsibilities to a replacement servicer could have an adverse effect on the performance of servicing functions during or following a transition period and a resulting increase in delinquencies and losses and decreases in recoveries.

Transfers of mortgage loans by the originator or seller will be characterized in the applicable sale agreement as a sale transaction. Nevertheless, in the event of a bankruptcy of the originator or seller, the trustee in bankruptcy could attempt to recharacterize the sale of the mortgage loans as a borrowing secured by a pledge of the mortgage loans. If such attempt were successful, the trustee in bankruptcy could prevent the trustee for the RMBS from exercising any of the rights of the owner of the mortgage loans and also could elect to liquidate the mortgage loans. Investors may suffer a loss in the extent that the proceeds of the liquidation of the underlying mortgage loans would not be sufficient to pay amounts owed in respect of their investments... if this occurs, investors would lose the right to future payments of interest and may fail to recover their initial investment. Regardless of whether a trustee elects to foreclose on the underlying mortgage loan pool, delays in payments on their investments and possible reductions in the amount of these payments could occur.
These adverse changes in market conditions may reduce the cashflow which the issuer receives from RMBS held by the issuer (or a Credit Default Swap that reference RMBS), decrease the market value of such RMBS and increase the incidence and severity of Credit Events under the Credit Default Swap.

Currency Exchange Risk. The Reference Portfolio may include non-Dollar denominated Reference Obligations. At the time that such non-Dollar denominated Reference Obligation is included in the Reference Portfolio, the Credit Default Swap Calculation Agent will determine the Notional Foreign Exchange Rate with respect to such non-Dollar denominated Reference Obligation. This Notional Foreign Exchange Rate will not change during the time such non-Dollar denominated Reference Obligation is in the Reference Portfolio, and, as such, will protect the Issuer from any unfavorable fluctuation of the applicable currency rate (which would increase the amount of any Cash Settlement Amount and/or Notional Principal Adjustment Amount relating to such non-Dollar denominated Reference Obligation). However, because the Notional Foreign Exchange Rate is fixed, the Issuer will not benefit from any favorable fluctuation of the applicable currency exchange rate (which would reduce the amount of any Cash Settlement Amount and/or Notional Principal Adjustment Amount relating to such non-Dollar denominated Reference Obligation).

In addition, in connection with a Mandatory Redemption, Collateral Securities may be liquidated and the proceeds of such liquidation may be insufficient to pay the Currency Adjusted Aggregate Outstanding Amount of each Series in full. To the extent that a Series of Notes is denominated in an Approved Currency for which there is insufficient proceeds in such Approved Currency (at the applicable level of priority) to pay the Currency Adjusted Aggregate Outstanding Amount of such Series of Notes in full, available proceeds denominated in other Approved Currencies will be exchanged for such needed Approved Currency at the applicable currency exchange rates at such time. Other Notes of such Class denominated in any such other Approved Currency and Notes junior to such Class may experience losses due to any adverse fluctuation of the applicable exchange currency rates. In addition, to the extent there would be insufficient Principal Proceeds after giving effect to any such exchange to make all principal payments on the Notes in connection with a Mandatory Redemption, with respect to any Class in which Notes are denominated in more than one Approved Currency, such shortfall shall be borne pro rata by Holders of such Class based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date, rather than the Applicable Series Foreign Exchange Rate for each related Series.

Average Life and Prepayment Considerations. The Stated Maturity of the Notes issued on the Closing Date is March 1, 2038. The Stated Maturity may vary with respect to any additional issuance of Notes; however, the average life of each Series of Notes is expected to be shorter than the number of years until the Stated Maturity.

The approximations of the average life of each Class of Notes set forth in the table in “Summary—Notes” with respect to the average life of each Class of Notes are not predictive and do not necessarily reflect historical performance of the Reference Obligations. Such approximations will also be affected by any Optional Redemption in Whole, Partial Optional Redemption, Mandatory Redemption or the characteristics of the Reference Obligations, including the existence and frequency of exercise of any optional redemption, mandatory prepayment or sinking fund features, the prevailing level of interest rates and the actual default rate.

Certain Conflicts of Interest Relating to the Initial Purchaser and its Affiliates. Various potential and actual conflicts of interest may Nevertheless arise from the activities of the Initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Agent Provider; the Collateral Disposal Agent and their affiliates. The following, together with "-Limited Provision of Information about Reference Obligations/Reference Entities", briefly summarize some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.
Footnote Exhibits - Page 4851

It is expected that the initial Purchaser and/or its respective affiliates will have placed or underwritten certain of the Reference Obligations and/or Collateral Securities at original issuance and/or will have provided investment banking services, advisory, banking and other services to issuers of Reference Obligations and/or Collateral Securities. The initial Purchaser may not have completed its resales of the Notes by any date certain, which may affect the liquidity of the Notes as well as the ability, if any, of the initial Purchaser to make a market in the Notes. From time to time, the Issuer may purchase or sell Collateral Securities from and/or through Goldman, Sachs & Co. and/or any of its affiliates (collectively, "Goldman Sachs"). The Issuer may invest in money market funds that are managed by Goldman Sachs or for which the Trustee or its affiliates provide services, provided that such money market funds otherwise qualify as Eligible Investments.

The initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and certain of their respective affiliates are acting in a number of capacities in connection with the transactions described herein. The initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and each of their respective affiliates acting in such capacities will have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities, other than as expressly provided with respect to each such capacity. The initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and their respective affiliates in their various capacities may enter into business dealings with which they may derive revenues and profits in addition to the fees stated in the various transaction documents, without any duty to account therefor in such dealings. The initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and their respective affiliates may act in the same manner as if the Notes had not been issued, regardless of whether any such action (including without limitation, any action that might constitute or give rise to a Credit Event) might have an adverse effect on a Reference Entity, a Reference Obligation or any guarantor in respect thereof or otherwise.

The initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and their respective affiliates may hold long or short positions with respect to Reference Obligations and/or other securities or obligations of related Reference Entities and may enter into credit derivative or other derivative transactions with other parties pursuant to which it sells or buys credit protection with respect to one or more related Reference Entities and/or Reference Obligations. The initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and their respective affiliates may act with respect to these transactions and may exercise or enforce, or refrain from exercising or enforcing, any or all of its rights and powers in connection therewith as if it had not entered into the Credit Default Swap, the Basis Swap, the Collateral Put Agreement and the Collateral Disposal Agreement, and without regard to whether any such action might have an adverse effect on the Issuer, the Noteholders, a related Reference Entity or any Reference Obligation. If the initial Purchaser, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent or their respective affiliates, holds claims against a Reference Entity or a Reference Obligation other than in connection with the transactions contemplated in this Offering Circular, such party’s interest as a creditor may be in conflict with the interests of the Issuer.

Certain Conflicts of Interest Relating to the Portfolio Selection Agent and its Affiliates. Various potential and actual conflicts of interest may arise from the overall investment activities of the Portfolio Selection Agent and its Affiliates. The Portfolio Selection Agent and its Affiliates will select the initial Reference Portfolio. The Portfolio Selection Agent, its Affiliates and accounts managed by any of the foregoing may invest or invest for the account of others in debt obligations that would be appropriate for inclusion in the Reference Portfolio and have no duty in making such investments or acting in a way that is favorable to the Issuer and to the Noteholders. Such investments may be different from those debt obligations included in the Reference Portfolio. The Portfolio Selection Agent, its Affiliates and accounts managed by any of the foregoing may have economic interests in, or other relationships with, Reference
Entities or Reference Obligations. The Portfolio Selection Agent, its Affiliates or any account managed by any of the foregoing may make and/or hold an investment in an issuer's securities, sell credit protection under a credit default swap referencing securities or issue financial guaranty insurance policies covering securities (or make loans) that may be pari passu, senior or junior in ranking to a Reference Obligation or in which partners, security holders, officers, directors, agents or employees of the Portfolio Selection Agent, its Affiliates or any account managed by any of the foregoing serve on boards of directors or otherwise have ongoing relationships. In such instances, the Portfolio Selection Agent and its Affiliates may in their discretion make investment recommendations and decisions (on behalf of itself or an account managed by it) that may be the same as or different from those made with respect to the issuer's investments. Accordingly, the Portfolio Selection Agent or any Affiliate of the Portfolio Selection Agent may be seeking, on behalf of itself or accounts for which it serves as manager, to acquire or dispose of securities which are included in the Initial Reference Portfolio (or securities of Reference Entities whose securities constitute Reference Obligations in the Initial Reference Portfolio) at the same time that the issuer enters into the Credit Default Swap to sell protection with respect to the Initial Reference Portfolio.

The Portfolio Selection Agent and its Affiliates may also serve as managers or co-managers of one or more other companies organized to invest in, or sell or buy credit protection with respect to, MBS, CMBS, CDO Cashflow Securities or other types of Asset-Backed Securities. The Portfolio Selection Agent and its Affiliates may pursue its own interests as an issuer or servicer of obligations which are Reference Obligations or as an owner, or seller of credit protection with respect to, other securities issued by an issuer of Reference Obligations, without considering the effect of its actions or omisions on the issuer.

The Portfolio Selection Agent, its Affiliates and client accounts for which the Portfolio Selection Agent or its Affiliates act as investment advisor may at times own Notes. Any Notes owned by the Portfolio Selection Agent or its Affiliates are subject to disposition by such parties in their discretion. At any given time the Portfolio Selection Agent and its Affiliates will be entitled to vote with respect to any Notes held by them and by such accounts with respect to all other matters. The ownership of Notes by the Portfolio Selection Agent or its Affiliates may give the Portfolio Selection Agent an incentive to take actions that vary from the interests of other holders of the Notes.

Relation to Prior Investment Results. The prior investment results of Portfolio Selection Agent and the persons associated with the Portfolio Selection Agent or any other entity or person described herein are not indicative of the Issuer's future investment results. The nature of, and risks associated with, the Issuer's future investments may differ substantially from those investments and strategies undertaken heretofore by such persons and entities. There can be no assurance that the Issuer's investments will perform as well as the past investments of any such persons or entities.

Evolving Nature of the Credit Default Swap Market. Credit default swaps are relatively new instruments in the market. While ISDA has published and supplemented the ISDA Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit default swap market, the credit default swap market is expected to change and the ISDA Credit Derivatives Definitions and terms applied to credit derivatives are subject to interpretation and further evolution. There can be no assurance that changes to the ISDA Credit Derivatives Definitions and other terms applicable to credit derivatives generally will be predictable or favorable to the Issuer. Amendments or supplements to the ISDA Credit Derivatives Definitions that are published by ISDA will only apply to the Credit Default Swap if the Credit Default Swap is amended. Therefore, in addition to the credit risk of Reference Obligations, Reference Entities and the credit risk of the Protection Buyer, the Issuer is also subject to the risk that the ISDA Credit Derivatives Definitions could be interpreted in a manner that would be adverse to the Issuer or that the credit derivatives market generally may evolve in a manner that would be adverse to the Issuer.
DESCRIPTION OF THE NOTES

The Co-issued Notes will be issued pursuant to an Indenture (the "Indenture"), dated as of the Closing Date, among the Issuers and LaSalle Bank National Association, as Trustee. Each Class of Issuer Notes will be issued in accordance with a Deed of Covenant and will be subject to the Issuing and Paying Agency Agreement including the terms and conditions of such Notes contained therein. The following summary describes certain provisions of the Notes, the Indenture and the Issuing and Paying Agency Agreement. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture and the Issuing and Paying Agency Agreement, copies of which may be obtained as described under "Listing and General Information."

Status and Security

The Co-issued Notes will be limited recourse obligations of the Issuers and the Issuer Notes will be limited recourse obligations of the Issuer, secured as described below. Accordingly, payments of interest on and principal of the Notes will be made solely from the proceeds of the Issuer Assets, in accordance with the priorities described under "Priority of Payments" and in certain circumstances described under "Mandatory Redemption" subject to the Special Termination Liquidation Procedure.

Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit of the Secured Parties, a security interest in the Issuer Assets that is of first priority (subject to the Trustee's lien described under "Description of the Notes—The Indenture—Events of Default"). free of any adverse claim or the legal equivalent thereof, as applicable, to secure the Issuer's obligations with respect to the Secured Parties.

Interest

The Notes will bear interest from the Closing Date at the annual rates set forth under "Summary—Notes", payable, in each case, monthly in arrears on each Payment Date commencing May 29, 2007 and ending on the Stated Maturity.

Interest will cease to accrue on each Note, or, in the case of a partial repayment, write-down, or Partial Optional Redemption on such part, from the date of such repayment, write-down, Partial Optional Redemption of such Series or Protection Buyer Notes or Stated Maturity unless payment of principal is improperly withheld or unless a default is otherwise made with respect to such payments of principal. See "Principal." To the extent lawful and enforceable, interest on any Defaulted Interest on the Notes will accrue at the interest rate applicable to such Notes, until paid as provided herein.

The interest rate per annum payable on the Notes will be calculated based on the applicable Day Count Fraction, commencing on the Closing Date. In the event that the date of any Payment Date or the Stated Maturity, as the case may be, shall not be a Business Day, then payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of any such Payment Date or the Stated Maturity, as the case may be, and, other than within respect to any Interest Accrual Period for a Series of Notes ending on the Stated Maturity of such Series of Notes, no interest shall accrue on such payment of interest for the period from and after any such nominal date, provided that interest shall accrue from and including the immediately preceding Payment Date or, in the case of the first Payment Date, the Closing Date to but excluding the following Payment Date or the Stated Maturity, as applicable.

For purposes of calculating the Series Interest Rates, the Issuer will appoint as calculation agent LaSalle Bank National Association (solely in such capacity, the "Note Calculation Agent"). Absent manifest error, the Note Calculation Agent will determine each Series Interest Rate using the determination of each Applicable Index made by the Basis Swap Calculation Agent under the Basis Swap. The Basis Swap Calculation Agent will determine each Applicable Index in accordance with the
provisions set forth under the definitions of "LIBOR", "EURIBOR", "GBP-LIBOR", "AUD-LIBOR", "CAD-LIBOR", "JPY-LIBOR" and "NZD-IBOR"; provided that such determinations will be made only with respect to any Applicable Index for which Notes denominated in the related Approved Currency are Outstanding in such Applicable Period.

The Note Calculation Agent may be removed by the Issuers at any time. If the Note Calculation Agent is unable or unwilling to act as such or is removed by the Issuers, or if the Note Calculation Agent fails to determine the Series Interest Rates and the Series Interest Amounts for any Interest Accrual Period, the Issuers will promptly appoint a replacement Note Calculation Agent a leading bank which is engaged in transactions in deposits in the Euro-zone interbank market and the London interbank market and which does not control or is not controlled by or under common control with the Issuers or their Affiliates. The Note Calculation Agent may resign its duties without a successor having been duly appointed. For so long as any of the Notes remain Outstanding, there will at all times be a Note Calculation Agent for the purpose of calculating the Series Interest Rates. In addition, for so long as any of the Notes are listed on any stock exchange and the rules of such exchange so require, the Issuer will notify such stock exchange of the appointment, termination or change in the office of such Note Calculation Agent.

The Note Calculation Agent will cause the Series Interest Rates, the Series Interest Amounts and Payment Date to be communicated to Euroclear, Clearstream and if any Class of Notes is listed on any stock exchange, notify such stock exchange by the Business Day immediately following each Applicable Index Determination Date. The determination of the Series Interest Rates and the Series interest Amounts by the Note Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

Principal
Principal will not be payable on the Notes prior to the Stated Maturity, except in connection with (i) payment of any Currency Adjusted Notional Principal Adjustment Amount, (ii) an Optional Redemption in Whole or Partial Optional Redemption and/or (iii) a Mandatory Redemption. See "Optional Redemption in Whole and Partial Optional Redemption" and "Mandatory Redemption" for details.

The Aggregated USD Equivalent Outstanding Amount of each Class of Notes and the Currency Adjusted Aggregate Outstanding Amount of each series of Notes will be adjusted from time to time in accordance with the methodologies described in "Summary—Decrease in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes", "Summary—Increase in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes", "Summary—Decrease in the Currency Adjusted Aggregate Outstanding Amount of each Series of Notes" and "Summary—Increase in the Currency Adjusted Aggregate Outstanding Amount of each Series of Notes".

From time to time, the aggregate amount of any Series of Notes is reduced, no interest will accrue with respect to such reduced amount. From and after the date on which the principal amount of any Class of Notes is increased, interest will accrue with respect to such increased amount.

Optional Redemption in Whole and Partial Optional Redemption
The Notes will be redeemed in whole or in any partial amount at any Payment Date after the latest Non-Call Period of any Series of Notes by the Issuer if (i) the Protection Buyer elects to terminate the Credit Default Swap prior to the Scheduled Termination Date (an "Optional Redemption in Whole") and (ii) the Collateral Put Agreement has not been terminated at such time, provided, however, that if one or more Credit Events have occurred the Aggregate USD Equivalent Outstanding Amount of one or more Classes of Notes to be

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918075
reduced, (i) Noteholders of each Reversible Loss Series must consent in writing to such redemption or (ii) the Protection Buyer must have agreed to pay the issuer, prior to the Optional Redemption Date, for each Reversible Loss Series, an amount equal to the Optional Redemption Reimbursement Amount (and the issuer shall pay such Optional Redemption Reimbursement Amount to Holders of any such Series of Notes in accordance with the Priority of Payments on the Optional Redemption Date). 

Notwithstanding the foregoing sentence, the issuer may not sell any Collateral unless, after giving effect to such sale, there will be sufficient funds to pay the amounts described in 16-3 “Optional Redemption in Whole Procedures” below (when taking into consideration the exercise of the issuer’s rights under the Collateral Put Agreement and whether the Protection Buyer will make any End Payment to the Issuer).

Any Optional Redemption in Whole of the Notes will be made at a price of, with respect to Notes denominated in any Approved Currency, 100% of the Currency-Adjusted Aggregate Outstanding Amount of such Notes (including accrued and unpaid interest) plus, under the circumstances described above with respect to each Series of Notes of each Reversible Loss Series, the Optional Redemption Reimbursement Amount. 

(i) The Notes of one or more Series will be redeemed in whole or any Payment Date after the applicable Non-Call Period or (ii) any Protection Buyer Notes will be redeemed on any Payment Date, in each case by the Issuer if (i) the Protection Buyer elects to optionally redeem such Series of Protection Buyer Notes, as applicable, prior to the Scheduled Termination Date (a “Partial Optional Redemption”), (ii) the Collateral Put Agreement has not been terminated at such time and (iii) in the case of a Partial Optional Redemption of any of the Issuer Notes, the Issuer receives an opinion of counsel to, or prior to such Partial Optional Redemption Date to the effect that the tax analyst of the Co-Issued Notes contained herein will not be affected by such Partial Optional Redemption, provided, however, that with respect to a Partial Optional Redemption pursuant to clause (i) above, if one or more Credit Events have caused the Aggregate USD Equivalent Outstanding Amount of one or more Series of Notes to be redeemed on such Payment Date to be reduced, (i) Noteholders of each such Reversible Loss Series must consent in writing to such redemption or (ii) the Protection Buyer must have agreed to pay the issuer, prior to the Partial Optional Redemption Date, with respect to each such Reversible Loss Series, an amount equal to the Optional Redemption Reimbursement Amount (and the issuer shall pay such Optional Redemption Reimbursement Amount to Holders of such Notes in accordance with the Priority of Payments on the Partial Optional Redemption Date). Notwithstanding the foregoing sentence, the Issuer may not sell any Collateral unless, after giving effect to such sale, there will be sufficient funds to pay the amounts described in 16-3 “Partial Optional Redemption Procedures” below (when taking into consideration the exercise of the Issuer’s rights under the Collateral Put Agreement and whether the Protection Buyer will make any Partial Optional Redemption End Payment to the Issuer).

Any Partial Optional Redemption of the Notes will be made at a price of 100% of the Currency-Adjusted Aggregate Outstanding Amount of such Notes (including accrued and unpaid interest) plus, under the circumstances described above with respect to each Reversible Loss Series being redeemed, the Optional Redemption Reimbursement Amount.

Optional Redemption in Whole Procedures: In connection with an Optional Redemption in Whole, if the Protection Buyer wishes to terminate the Credit Default Swap after the Non-Call Period of each Series of Notes Outstanding has expired, and therefore requires the Issuer to optionally redeem the Notes in whole, the Protection Buyer shall notify the Issuer, the Portfolio Selection Agent, the Trustee and the Issuing and Paying Agent in writing at least 15 Business Days prior to the proposed redemption date (which date must be a Payment Date). If one or more Reversible Loss Series exist at such time, the Trustee or the Issuing and Paying Agent, as applicable, shall deliver a notice to each Noteholder at each such Reversible Loss Series, (i) notifying each such Noteholder (1) that the Protection Buyer has sought to terminate the Credit Default Swap prior to the Scheduled Termination Date, (2) of the proposed Optional Redemption Date and (3) that the consent of each such Noteholder is required under the Indenture or else Holders of each such Reversible Loss Series must receive the Optional Redemption

Confidential Treatment Requested by Goldman Sachs
Reimbursement Amount allocable to each Series of such Class, (6) providing any other information that the Trustee or the Issuing and Paying Agent, as applicable, may deem appropriate in its sole discretion and (7) providing the consent of each such Noteholder. If the Trustee or the Issuing and Paying Agent, as applicable, does not receive the consent of each such Noteholder within ten Business Days of the transmission of such notice, the consent of each such Noteholder will be deemed not to have been obtained and an Optional Redemption in Whole may occur only if the Protection Buyer agrees to pay to the Issuer, for each Reversible Loss Series, the Optional Redemption Reimbursement Amount prior to the Optional Redemption Date.

The Trustee and the Issuing and Paying Agent, as applicable, will then provide notice of Optional Redemption in Whole by first-class mail, postage prepaid, mailed not less than 10 Business Days prior to the scheduled redemption date, to each Noteholder at such Noteholder’s address in the Note Register or the Issuer Note Register, as applicable, and for so long as any Class of Notes is listed on a stock exchange and the rules of such stock exchange shall so require, provide notice of an Optional Redemption in Whole to the Listing, Paying and Transfer Agent for such stock exchange.

The Notes shall not be optionally redeemed in whole unless the Trustee has determined (based on the advice of the Collateral Disposal Agent with respect to Collateral Securities) that the proceeds expected to be received upon the liquidation of the Collateral, together with any other amounts available to be used for such optional redemption (including any End Payment, Optional Redemption Reimbursement Amount and/or termination payments to be received by the Issuer under the Credit Default Swap and the Basis Swap), are equal to an amount sufficient to pay the amounts specified under subclauses (i) through (vi) in “—Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date”. See “—Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date”. In determining whether sufficient proceeds will be available to redeem the Notes in whole under the preceding sentence, the Issuer’s right under the Collateral Put Agreement to require the Collateral Put Provider to purchase Collateral (other than Put Excluded Collateral) at 100% of par of such Collateral and the Issuer’s ability to enter into a currency exchange (if necessary) shall be taken into consideration.

Optional Redemption Procedures. In connection with a Partial Optional Redemption, if the Protection Buyer elects to have the Issuer redeem one or more Series of Notes after the applicable Non-Call Period(s) (or, with respect to any Protection Buyer Notes, on any Payment Date), the Protection Buyer shall notify the Issuer, the Portfolio Selection Agent, the Trustee and the Issuing and Paying Agent in writing no less than 15 Business Days prior to the proposed redemption date (which date must be a Payment Date). If one or more Reversible Loss Series exist and will be redeemed at such time, the Trustee or the Issuing and Paying Agent, as applicable, shall deliver a notice to each Noteholder of each such Reversible Loss Series, (1) notifying each such Noteholder (1) that the Protection Buyer intends to redeem such Series of Notes prior to the Stated Maturity, (2) of the proposed Partial Optional Redemption Date and (3) that the consent of each such Noteholder is required under the indenture or else Holders of such Reversible Loss Series must receive the Optional Redemption Reimbursement Amount allocable to such Series, (6) providing any other information that the Trustee or the Issuing and Paying Agent, as applicable, may deem appropriate in its sole discretion and (7) soliciting the consent of each such Noteholder. If the Trustee or the Issuing and Paying Agent, as applicable, does not receive the consent of each such Noteholder within 10 Business Days of the transmission of such notice, the consent of each such Noteholder will be deemed not to have been obtained and a Partial Optional Redemption of such Series may occur only if the Protection Buyer agrees to pay to the Issuer, for each such Reversible Loss Series, the Optional Redemption Reimbursement Amount prior to the Partial Optional Redemption Date.

Neither the Notes of any Series nor any Protection Buyer Notes shall be optionally redeemed in connection with a Partial Optional Redemption unless the Trustee has determined (based on the advice of the Collateral Disposal Agent with respect to Collateral Securities) that the proceeds expected to be received upon the liquidation of the Eligible Investments and Selected Collateral Securities, together with...
any other amounts available to be used for such optional redemption (including any Partial Optional Redemption End Payment and/or Optional Redemption Reimbursement Amount), are equal to an amount sufficient to pay the principal amount of such Series of Notes and any Series senior to such Series under subclause (ii) in "—Priority of Payments—Principal Proceeds—Other Payment Dates". See "—Priority of Payments—Principal Proceeds—Other Payment Dates". In determining whether sufficient proceeds will be available to redeem the Notes in part under the proceeding sentence, the Issuer's right under the Collateral Put Agreement to require the Collateral Put Provider to purchase Collateral (other than Put Excluded Collateral) at 100% of the principal amount of such Collateral Security and the Issuer's ability to enter into a currency exchange (if necessary) shall be taken into consideration.

The Trustee and the Issuing and Paying Agent, as applicable, will then provide notice of a Partial Optional Redemption by first-class mail, postage prepaid, mailed not less than 10 Business Days prior to the scheduled redemption date, to each Holder of a Note to be redeemed at such Holder's address in the Note Register or the Issuer Note Register, as applicable, and for so long as any Class of Notes is listed on any stock exchange and the notes of such stock exchange shall so require, provide notice of a Partial Optional Redemption to the Listing, Paying and Transfer Agent for such stock exchange.

Mandatory Redemption

The occurrence of (i) either a termination event or an event of default (as such term is defined in the Credit Default Swap, Basis Swap and/or Collateral Put Agreement, as applicable) for which the Protection Buyer, Basis Swap Counterparty or Collateral Put Provider is the sole defaulting party or Affected Party (as such term is defined in the Credit Default Swap, Basis Swap and/or Collateral Put Agreement, as applicable) under the Credit Default Swap, Basis Swap and/or Collateral Put Agreement, as applicable, (ii) any termination event (other than a termination event triggered by an Event of Default or an event described in subclause (i)) or, after the Non-Call Period for each Series of Notes Outstanding has expired, the Protection Buyer's election to terminate the Credit Default Swap prior to its scheduled termination date or (iii) any event of default (other than an event described in subclause (i)) in each case under the Credit Default Swap, the Basis Swap or the Collateral Put Agreement where (a) in the case of subclause (i) the Replacement Counterparty Procedures are not satisfied within 30 days of the termination of the swaps or (y) in the case of subclause (i) or (ii) the party entitled to terminate such agreement has exercised such right shall constitute a "Mandatory Redemption".

Upon the occurrence of a Mandatory Redemption other than a Mandatory Redemption caused by a (i) termination of the Credit Default Swap pursuant to which the Protection Buyer is the defaulting party, (ii) termination of the Collateral Put Agreement pursuant to which the Collateral Put Provider is the defaulting party or (iii) termination of the Basis Swap pursuant to which the Basis Swap Counterparty is the defaulting party, the Trustee will liquidate all Eligible Investments and the Issuer or the Trustee will notify the Collateral Disposal Agent to liquidate all Collateral Securities and apply such proceeds as described under "—Priority of Payments—Principal Proceeds—Blended Maturity, Optional Redemption Date or Mandatory Redemption Date".

In the case of a Mandatory Redemption caused by a (i) termination of the Credit Default Swap pursuant to which the Protection Buyer is the defaulting party, (ii) termination of the Collateral Put Agreement pursuant to which the Collateral Put Provider is the defaulting party or (iii) termination of the Basis Swap pursuant to which the Basis Swap Counterparty is the defaulting party, the Trustee will request that the Collateral Disposal Agent solicit bids from all of the Collateral Securities and take the actions described below.

If the Trustee determines that the expected liquidation proceeds of the Collateral Securities (as advised by the Collateral Disposal Agent) and the Eligible Investments will be an amount equal to or greater than the aggregate of (i) the amounts required to be paid under subclauses (i) through (iii) of "—Priority of Payments—Principal Proceeds—Blended Maturity, Optional Redemption Date or Mandatory Redemption Date" and (ii) with respect to the Class B Notes, the Class A Notes, the Class B Notes and

Confidential Treatment Requested by Goldman Sachs

GS MSS-E-001918078
the Class C Notes, the Currency Adjusted Aggregate Outstanding Amount of each Series of such Classes of Notes plus any accrued interest thereon, the Trustee will liquidate the Eligible Investments and will notify the Collateral Disposal Agent to liquidate all Collateral Securities and, thereafter, apply such liquidation proceeds in accordance with the Priority of Payments.

If the Trustee determines that the expected liquidation proceeds of the Collateral Securities (as advised by the Collateral Disposal Agent) and the Eligible Investments cannot be sold in an amount equal to or greater than the aggregate of (i) the amounts required to be paid under subclauses (i) through (iii) of "-Priority of Payments-Principal Proceeds-Stated Maturity, Optional Redemption Date or Mandatory Redemption Date" and (ii) with respect to the Class SS Notes, the Class A Notes, the Class B Notes and the Class C Notes, the Currency Adjusted Aggregate Outstanding Amount of each Series of such Classes of Notes plus any accrued interest thereon, the Trustee will notify (such notice, the "Special Termination Notice") Holders of the Class SS Notes, the Class A Notes, the Class B Notes and Class C Notes (x) of such occurrence; (y) that such Noteholders have the following options: (1) with the consent of 100% of such Noteholders, the Issuer will direct the Collateral Disposal Agent to liquidate all Collateral Securities distributable to such Class of Notes pursuant to the Special Termination Liquidation Procedure and (2) if such consent is not obtained, each such Noteholder will have the option of either requesting the Issuer to (A) deliver to it the Collateral Securities distributable to such Noteholder pursuant to the Special Termination Liquidation Procedure or (B) direct the Collateral Disposal Agent to liquidate the Collateral Securities distributable to such Noteholder pursuant to the Special Termination Liquidation Procedure and (c) of the identity of any Collateral Securities distributable to such Noteholder pursuant to the Special Termination Liquidation Procedure.

Each Holder of the Class SS Notes, the Class A Notes, the Class B Notes and the Class C Notes may, within ten Business Days of receipt of a Special Termination Notice, notify (such notice, a "Special Termination Request Notice") the Trustee of the option(s) that it chooses to exercise under the Special Termination Notice and the delivery instructions for such Noteholder with respect to any Collateral Securities to be delivered to such Noteholder pursuant to the Special Termination Liquidation Procedure. If a Noteholder fails to so notify the Trustee within ten Business Days of receipt of such Special Termination Notice, such Noteholder will be deemed to have selected option (1) of the Special Termination Notice.

Following the period in which the Trustee may receive timely Special Termination Request Notices, the Trustee and the Collateral Disposal Agent, at the direction of the Issuer, will follow the procedures described below (such procedure, the "Special Termination Liquidation Procedure"):

(i) the Trustee will liquidate at Eligible Investments;

(ii) to the extent the liquidation proceeds of Eligible Investments are insufficient to make the payment described in this subclause (i), the Collateral Disposal Agent will liquidate the highest-priced Collateral Security in the smallest principal amount that, when added to the proceeds obtained pursuant to subclause (i), will be sufficient to provide the Issuer with funds to pay amounts owed pursuant to subclause (ii) of "-Priority of Payments-Principal Proceeds-Stated Maturity, Optional Redemption Date or Mandatory Redemption Date", subject to the Administrative Expense Cap on the Mandatory Redemption Date (and the Issuer shall make such payment), provided, that if more than one Collateral Security has received the highest bid price, the Collateral Disposal Agent will liquidate any of such Collateral Securities that it determines in a commercially reasonable manner would maximize the liquidation proceeds received on all Collateral Securities;

(iv) (A) if less than 100% of the Aggregate USD Equivalent Outstanding Amount of the Class SS Notes, the Class A Notes, the Class B Notes and the Class C Notes voting as a single class provide the Trustee with an effective Special Termination Request Notice exercising option (1) under the related Special Termination Notice, the Trustee will cause the remaining

Confidential Treatment Requested by Goldman Sachs
Collateral Securities to be delivered (in the case of the Notes) or liquidated (in the case of amounts owed pursuant to subclause (i) or (ii) of “Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date”) liquidation proceeds from Collateral Securities with an aggregate par amount equal to any amounts owed pursuant to subclause (i) or (ii) of “Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date” and second (ii) to the Holders of each Series of the Notes (after giving effect to the payment of any principal of and/or interest on the Notes with any remaining proceeds obtained pursuant to subclause (i) and (ii) above), a per amount of Collateral Securities (or, with respect to Collateral Securities denominated in any Approved Currency other than Dollars, the Dollar equivalent of such per amount as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date) equal to the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date, plus any accrued and unpaid interest thereon (provided that determination of any pro rata allocations of such payments to any Series of Notes of such Class will be based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date).

(3) to the Holders of each Series of the Notes (after giving effect to the payment of any principal of and/or interest on the Notes with any remaining proceeds obtained pursuant to subclause (i) and (ii) above), a per amount of Collateral Securities (or, with respect to Collateral Securities denominated in any Approved Currency other than Dollars, the Dollar equivalent of such per amount as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date) equal to the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date, plus any accrued and unpaid interest thereon (provided that determination of any pro rata allocations of such payments to any Series of Notes of such Class will be based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date).
principal amount of such notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date;

(4) to the Holders of each Series of the Class B Notes (after giving effect to the payment of any principal of and/or interest on the Class B Notes with any remaining proceeds obtained pursuant to subclause (b) and (6) above), a par amount of Collateral Securities (or with respect to Collateral Securities denominated in any Approved Currency other than Dollars the Dollar equivalent of such par amount as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date) equal to the Dollar equivalent principal amount of such notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date, plus any accrued and unpaid interest thereon (provided that determination of any pro rata allocations of such payments to any Series of Notes of such Class will be based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date; and

(5) to the Holders of each Series of the Class C Notes (after giving effect to the payment of any principal of and/or interest on the Class C Notes with any remaining proceeds obtained pursuant to subclause (f) and (ii) above), a par amount of Collateral Securities (or with respect to Collateral Securities denominated in any Approved Currency other than Dollars the Dollar equivalent of such par amount as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date) equal to the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date, plus any accrued and unpaid interest thereon (provided that determination of any pro rata allocations of such payments to any Series of Notes of such Class will be based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date);

provided that if any Holder of the Class SS Notes, the Class A Notes, the Class B Notes or the Class C Notes has selected option 2(b) in the related Special Termination Request Notice, the Trustee will, in lieu of distributing the relevant principal amount of Collateral Securities to such Noteholder pursuant to this subclause (a), notify the Collateral Disposal Agent which will liquidate the Collateral Securities deliverable to such Noteholders and the Trustee will pay the proceeds thereof to such Noteholder on the Mandatory Redemption Date (or, if such proceeds are determined in an Approved Currency other than the Approved Currency in which such Holder’s Notes are denominated, the Trustee will enter a currency exchange on behalf of the Issuer and pay such Holder in the Approved Currency in which such Holder’s Notes are denominated), and

(6) If 100% of the Aggregate USD Equivalent Outstanding Amount of the Class SS Notes, the Class A Notes, the Class B Notes and the Class C Notes voting as a single class provide the Trustee with an effective Special Termination Request Notice exercising option (1) under the Special Termination Notice, the Trustee will notify the Collateral Disposal Agent which will liquidate the Collateral Securities distributable to such Noteholders and as payments (in the case of amounts owed pursuant to subclause (a) or (ii) of “Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date”) and apply the liquidation proceeds of the Collateral Securities distributable to such Noteholders (after giving consideration to any currency exchange, if necessary) and as payments (in the case of amounts owed pursuant to subclause (a) or (ii) of “Priority of Payments—Principal Proceeds—
Footnote Exhibits - Page 4861

Stated Maturity, Optional Redemption Date or Mandatory Redemption Date) in the same priority as described in subclause (A) above; and

(iv) the Issuer will instruct the Collateral Disposal Agent to liquidate the remaining Collateral Securities and the liquidation proceeds thereof will be distributed in accordance with subclause (iv) with respect to the Class O Notes and Class F Notes only (provided that determination of any pro rata allocations of such payments with respect to any Series of Notes of such Class will be based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date) (after giving consideration to any currency exchange, if necessary) through (iv) of the "(i) Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date."

On the earliest of the Credit Default Swap Early Termination Date, the Basis Swap Early Termination Date and/or the Collateral Put Agreement Early Termination Date (the "Mandatory Redemption Date"), the Trustee shall apply Principal Proceeds in accordance with "(i) Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date". Notwithstanding any provision to the contrary contained herein, even if there will be insufficient proceeds on the Mandatory Redemption Date to repay the Currency Adjusted Aggregate Outstanding Amount of each Series of Notes (plus accrued and unpaid interest), the Notes will be deemed to have been paid in full so long as (i) funds are properly applied in accordance with the Priority of Payments and/or (ii) funds and/or Collateral Securities are properly applied and/or distributed as described above on such Mandatory Redemption Date.

Payments

Payments in respect of principal and interest on a Note will be made to the person in whose name the relevant Note is registered on the applicable record date. Payments on the Notes will be payable by wire transfer in immediately available funds to an account maintained by DTC or its nominee (in the case of the Global Notes) or each Noteholder (in the case of Individual definitive Notes) to the extent practicable or otherwise by check drawn on a bank or other financial institution in New York, New York, or by wire transfer in immediately available funds to an account maintained by DTC or its nominee (in the case of the Global Notes), or to each Holder of a Note at the Noteholder’s address appearing in the applicable register (in the case of individual definitive Notes).

Final payments in respect of principal of the Notes will be made only against surrender of the Notes, at the office of any paying agent. None of the Issuers, the Trustee or any paying agent will have any responsibility or liability for any aspects of the records maintained by DTC or its nominee or any of its participants relating to, or for payments made thereby on account of beneficial interests in, a Global Note.

The Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note held by DTC or its nominee, will immediately credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in such Global Note as shown on the records of DTC or its nominee. The Issuers also expect that payments by participants to owners of beneficial interests in such Global Notes held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

For so long as the Notes are listed on any stock exchange and the rules of such exchange so require, the Issuers will have a listing agent, a paying agent and a transfer agent (which shall be the "Listing, Paying and Transfer Agent") for the Notes and will give prompt written notice to each Holder of the appointment, termination or change in the location of any such office or agency.
Priority of Payments

The Issuer will only make payments, subject to the final paragraph under "Summary—Decrease in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes", in accordance with priorities described below under "Retained Interest Proceeds—Principal Maturity, Optional Redemption Date or Mandatory Redemption Date" and "Retained Interest Proceeds—Other Payment Dates" (collectively, the "Priority of Payments").

Interest Proceeds.

On each Payment Date, the Optional Redemption Date, the Mandatory Redemption Date and/or the Stated Maturity, Interest Proceeds will be applied in the following order of priority:

(i) to the payment of Administrative Expenses, which, with respect to the sum of these amounts listed in subclauses (ii), (iii) and (iv) of the definition of "Administrative Expenses", will be subject to the Administrative Expense Cap;

(ii) to the payment to the Portfolio Selection Agent of any accrued but unpaid Portfolio Selection Fees in accordance with the terms of the Portfolio Selection Agreement;

(iii) (a) to the payment of the Basis Swap Payment and (b) thereafter, to the payment of the Collateral Put Provider Fee Amount;

(iv) to the payment of the Class Interest Distribution Amounts of each Class of Notes in sequential order of priority by Class, provided that, to the extent there are insufficient proceeds to pay all amounts payable under this clause (iv) with respect to a Class with more than one Series Outstanding at such time of determination, any proration allocations of such payments with respect to any Series of Notes of such Class will be based on the Aggregate USD Equivalent Outstanding Amount of each such Series, provided, further, that with respect to each Class of the Issuer Notes, such payment will be made to the Issuing and Paying Agent, for distribution to the Holders of such Class of Notes;

(v) to the payment of any Administrative Expenses not covered in subclause (i) above, and

(vi) the balance of Interest Proceeds (if any) will be distributed to the Protection Buyer.

In addition, if the Issuer purchases a Supplemental Collateral Security at the direction of the Protection Buyer, the Issuer may use Interest Proceeds on any Business Day to pay for the portion of the purchase price of a Supplemental Collateral Security constituting accrued and unpaid interest thereon (such amount, the "Purchased Accrued Interest Amount").

To the extent there is a sufficient amount of Interest Proceeds in each Approved Currency, the Trustee shall use Interest Proceeds in each such Approved Currency to make payments described in this section, provided that no payment is made toward any item until all higher ranking items have been paid in full.

If on any Determination Date (or, in connection with a Mandatory Redemption Date, the third Business Day immediately prior to such Mandatory Redemption Date) the Issuer determines that there would be an insufficient amount of Interest Proceeds in any Approved Currency on the related Payment Date or the Mandatory Redemption Date, as the case may be, to make the payments described in clauses (i) through (vi) above, then the Issuer shall provide for the relevant items by exchanging any excess Interest Proceeds (as determined by the Protection Buyer after giving effect to the application of Interest Proceeds to make all payments of a higher priority) in any Approved Currency for proceeds in

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918081
such other Approved Currency for which such shortfall existed at the relevant Spot FX Rate determined on such Determination Date (or, in connection with a Mandatory Redemption Date, the third Business Day immediately prior to such Mandatory Redemption Date); provided that to the extent there would be insufficient Interest Proceeds after giving effect to any such exchange to make all payments required under clause (iv) above with respect to any Class in which Notes are denominated in more than one Approved Currency, such distributions shall be made pro rata to Holders of such Class based on the Aggregate USD Equivalent Outstanding Amount of each Series of such Class (or, in connection with a Mandatory Redemption Date, pro rata to Holders of such Class based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date).

Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date.

On the Stated Maturity of any Series of Notes, the Optional Redemption Date or the Mandatory Redemption Date, as the case may be, Principal Proceeds (together with, in the case of the Optional Redemption Date, any End Payment) will be apportioned, subject to the provisions described under "Mandatory Redemption", in the following order of priority:

(i) (a) to the payment of amounts referred to in subclause (i) and (ii) of "Interest Proceeds" above, but only to the extent not paid in full thereunder and then (b) in connection with an Optional Redemption in Whole, to the payment to the Portfolio Selection Agent of any MakeWhole Amount pursuant to the Portfolio Selection Agreement;

(ii) to the payment of all amounts due to the Basis Swap Counterparty pursuant to the terms of the Basis Swap, other than a Basis Swap Counterparty Default Termination Payment (including, for the avoidance of doubt, any Basis Swap Payment not paid in full under subclause (ii)(a) of "Interest Proceeds" above);

(iii) (a) the payment of all amounts due to the Collateral Put Provider pursuant to the terms of the Collateral Put Agreement, and (b) thereafter, in the case of the Stated Maturity of any Series of Notes, the Optional Redemption Date or the Mandatory Redemption Date (other than in connection with a Collateral Default), to the payment of all amounts due to the Protection Buyer pursuant to the terms of the Credit Default Swap, other than a Protection Buyer Default Termination Payment;

(iv) (a) to the payment of amounts referred to in subclause (iv) of "Interest Proceeds" above, but only to the extent not paid in full thereunder and then (b) (1) in the case of the Stated Maturity of any Series of Notes, (A) to the payment of the Currency Adjusted Aggregate Outstanding Amount of each Series of Notes maturing on such date, at par, in each case, pursuant to the Note Payment Sequence (but only with respect to Classes in which any Series of Notes matures on such date) provided that in each case determination of any pro rata allocations of such payments within any Class issued in more than one Series maturing on such date will be based on the Aggregate USD Equivalent Outstanding Amount of each Series and (B) if a Redemption Withholdings Refund is received by the Issuer in connection with such Stated Maturity to the payment, from any available Redemption Withholdings Refund only, of an amount equal to the ICE Currency Adjusted Aggregate Outstanding Amount Differential of each Series for which a Redemption Withholdings Refund has been computed, in each case pursuant to the Note Payment Sequence (but only with respect to Classes in which a Series of Notes with an ICE Currency Adjusted Aggregate Outstanding Amount Differential greater than zero matures on such date), provided that in each case determination of any pro rata allocations of such

Confidential Treatment Requested by Goldman Sachs
payments within any Class issued in more than one Series maturing on such date with ICE Currency Adjusted Aggregate Outstanding Amount Differentials greater than zero will be based on the Aggregate USD Equivalent Outstanding Amount of such Notes; or

(2) in the case of the Optional Redemption Date, to the payment of the Currency Adjusted Aggregate Outstanding Amount of the Notes, at par, pursuant to the Note Payment Sequence, provided that in each case determination of any pro rata allocations of such payments within any Class issued in more than one Series will be based on the Aggregate USD Equivalent Outstanding Amount of such Notes plus, in the limited circumstances as described in "Optional Redemption in Whole and Partial Optional Redemption", with respect to any Reversible Loss Series, the Optional Redemption Reimbursement Amount, or

(3) in the case of a Mandatory Redemption (other than in connection with a Collateral Default), (A) to the payment of the Currency Adjusted Aggregate Outstanding Amount of the Notes, at par, pursuant to the Note Payment Sequence, provided that in each case determination of any pro rata allocations of such payments within any Class issued in more than one Series will be based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date) and (B) if a Redemption Warrant Refund is received by the Issuer in connection with such Mandatory Redemption to the payment, from any available Redemption Warrant Refund only, of an amount equal to the ICE Currency Adjusted Aggregate Outstanding Amount Differential of each Series for which a Redemption Warrant Refund has been calculated, in each case pursuant to the Note Payment Sequence, provided that in each case determination of any pro rata allocations of such payments within any Class issued in more than one Series being redeemed on such date in connection with such Mandatory Redemption with ICE Currency Adjusted Aggregate Outstanding Amount Differentials greater than zero will be based on the Dollar equivalent of such Notes (calculated using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date);

(4) in the case of the Mandatory Redemption Date in connection with a Collateral Default, in the following priority: (A) first to the payment, pro rata, (i) of all amounts due to the Protection Buyer pursuant to the terms of the Credit Default Swap, other than a Protection Buyer Default Termination Payment and (ii) pro rata to the payment of the Currency Adjusted Aggregate Outstanding Amount of the Class SS Notes, the Class A-1 Notes and the Class A-2 Notes, at par, not to exceed, in the case of this subclause (A), $400,000,000 (such limit to be determined, with respect to subclause (ii)(A)(ii), based on the Dollar equivalent of such amounts paid (calculated using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date), (B) second to the payment, pro rata, of the remaining Currency Adjusted Aggregate Outstanding Amount of the Class SS Notes, Class A-1 Notes and Class A-2 Notes, at par, (after giving effect to subclause (II)(A), (C) third to the payment of all remaining amounts due to the Protection Buyer pursuant to the terms of the Credit Default Swap, other than a Protection Buyer Default Termination Payment, such amount not to exceed the Currency Adjusted Aggregate Outstanding Amount of the Notes immediately prior to the distribution of Principal Proceeds on such Payment Date less amounts paid under subclause (II)(A)(ii) and (D) fourth with respect to the Class B Notes, the Class C Notes, the Class D Notes and the Class FI Notes, to the payment of the Currency Adjusted

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918085
Footnote Exhibits - Page 4865

Aggregate Outstanding Amount of each Series of such Class of Notes, at par, in accordance with the Note Payment Sequence; provided that in each case determination of any pro rata allocations of such payments within any Class issued in more than one Series will be based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date, provided, further, that with respect to each Class of Issuer Notes, any such payment will be made to the Issuing and Paying Agent, for payment to the Holders of such Class of Notes;

(v) to the payment of the Basis Swap Counterparty Default Termination Payment, if any;

(vi) to the payment of the Protection Buyer Default Termination Payment, if any;

(vii) to the payment of any Administrative Expenses not covered in subclause (i) above;

(viii) on the Stated Maturity of any Series of Notes other than the final Stated Maturity with respect to any Series of Notes, for reinvestment in Collateral Securities at the direction of the Protection Buyer and, pending such reinvestment, to be invested in Eligible Investments;

(ix) the balance of Principal Proceeds (if any) will be distributed to the Protection Buyer.

To the extent there is a sufficient amount of Principal Proceeds in each Approved Currency, the Trustee shall use Principal Proceeds in each such Approved Currency to make payments described in this section; provided that no payment is made toward any item until all higher ranking items have been paid in full.

If on any Determination Date (or, in connection with a Mandatory Redemption Date, as of the third Business Day immediately prior to such Mandatory Redemption Date) the Issuer determines that there would be an insufficient amount of Principal Proceeds in any Approved Currency on the related Payment Date of the Mandatory Redemption Date, as the case may be, to make the payments described in clauses (i) through (vii) above, then the Issuer shall provide for the relevant Items by exchanging any excess Principal Proceeds (as determined by the Protection Buyer after giving effect to the application of Principal Proceeds to make all payments of a higher priority in the Priority of Payments) in any Approved Currency for proceeds in such other Approved Currency for which such shortfall existed at the relevant Spot FX Rate determined on such Determination Date (or, in connection with a Mandatory Redemption Date, as of the third Business Day immediately prior to such Mandatory Redemption Date); provided, to the extent there would be insufficient Principal Proceeds after giving effect to any such exchange to make all payments required under clause (ix) above with respect to any Class in which Items are denominated in more than one Approved Currency, such shortfall shall be borne pro rata by Holders of such Class based on the Dollar equivalent principal amount of such Notes as determined using the Spot FX Rate as of the Determination Date (or, in connection with a Mandatory Redemption Date, as of the third Business Day immediately prior to such Mandatory Redemption Date).

Principal Proceed—Other Payment Dates

On each Business Day (other than the Stated Maturity of any Series of Notes, the Optional Redemption Date or the Mandatory Redemption Date, Principal Proceeds (together with, in the case of any Partial Optional Redemption Date, any Partial Optional Redemption End Payment) will be applied in the following order of priority:

(i) on a Credit Default Swap Settlement Date, to the payment of all Cash Settlement Amounts payable on such date; provided that Principal Proceeds representing Put

Confidential Treatment Requested by Goldman Sachs

GS MGS-E-001918086
Proceeds shall not be applied to the payment of any amount described in this subclause (i):

(iv) for reinvestment in Collateral Securities at the direction of the Protection Buyer and, pending such reinvestment, to be invested in Eligible Investments.

To the extent there is a sufficient amount of Principal Proceeds in each Approved Currency, the Trustee shall use Principal Proceeds in each such Approved Currency to make payments described in this section, provided that no payment is made toward any item until all higher ranking items have been paid in full.

If on any Determination Date the Issuer determines that there would be an insufficient amount of Principal Proceeds in any Approved Currency on the related Payment Date, then the Issuer shall provide for the relevant items by exchanging any excess Principal Proceeds (as determined by the Protection Buyer after giving effect to the application of Principal Proceeds to make payments of a higher priority in the Priority of Payments in any Approved Currency for proceeds in such other Approved Currency for which such shortfall existed at the relevant Spot FX Rate determined on such Determination Date; provided that to the extent there would be insufficient Principal Proceeds after giving effect to any such exchange to make all payments required under clause (i) above with respect to any Class in which Notes are denominated in more than one Approved Currency, such shortfall shall be borne pro rata by holders of such Class based on the Aggregate USD Equivalent Outstanding Amount of such Notes in each such Approved Currency.

Form of the Notes

Each Class of Notes sold in offshore transactions in reliance on Regulation S will be represented by one or more Regulation S Global Notes deposited with the Trustee or the Issuing and Paying Agent, as applicable, as custodian for DTC and registered in the name of Cede & Co., a nominee of DTC, for the respective accounts of Euroclear and Clearstream. Interests in a Regulation S Global Note may be held only through Euroclear or Clearstream.
Each Class of Notes sold in reliance on Rule 144A under the Securities Act will be represented by one or more Rule 144A Global Notes deposited with the Trustee or the Issuing and Paying Agent, as applicable, as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

The Notes will be subject to certain restrictions on transfer as set forth under “Transfer Restrictions.”

Any interest in one of the Regulation S Global Notes and the Rule 144A Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such interest.

Except in the limited circumstances described herein, owners of beneficial interests in either the Regulation S Global Notes or the Rule 144A Global Notes will not be entitled to receive physical delivery of certificated Notes. The Notes are not issuable in bearer form.

The Indenture

The following summary describes certain provisions of the Indenture. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture.

Events of Default. An “Event of Default” is defined in the Indenture as:

(i) a default in the payment of principal on any Note at its Stated Maturity or the Optional Redemption Date;

(ii) the failure on any Payment Date to disburse amounts available in the Payment Account in accordance with the Priority of Payments and continuation of such failure for a period of ten Business Days;

(iii) a circumstance in which either of the Issuers or the Issuer Agents becomes an investment company required to be registered under the Investment Company Act;

(iv) a default in the performance, in a material respect, or breach, in a material respect, of any covenant, representation, warranty or other agreement of the Issuers in the Indenture (other than a covenant or agreement which is specifically addressed elsewhere therein) or in any certificate or other writing delivered pursuant thereto or in connection therewith or if any representation or warranty of the Issuers in the Indenture, the Issuing and Paying Agency Agreement or in any certificate or other writing delivered pursuant thereto proves to be incorrect in any material respect when made, and the continuance of such default or breach for a period of 30 days after written notice thereof shall have been given to the Issuers and the Portfolio Selection Agent by the Trustee or the Issuing and Paying Agent, as applicable, or to the Issuers, the Portfolio Selection Agent, the Trustee and the Issuing and Paying Agent by the Holders of at least 25% of the Aggregate USD Equivalent Outstanding Amount of the Notes, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a “Notice of Default” under the Indenture or the Issuing and Paying Agency Agreement, as applicable;

(v) the entry of a decree or order by a court having competent jurisdiction adjudging either of the Issuers as bankrupt or insolvent or granting an order for relief or approving as proper a petition seeking reorganization, arrangement, adjustment or composition

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918086
of or in respect of either of the Issuers under the Bankruptcy Code, the bankruptcy or insolvency laws of the Cayman Islands or any other applicable law, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of either of the Issuers or of any substantial part of its property, or ordering the winding up or liquidation of its affairs; or an involuntary case or proceeding shall be commenced against either of the Issuers seeking any of the foregoing and such case or proceeding shall continue in effect for a period of 60 consecutive days; or

(v) the institution by either of the Issuers of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by either of the Issuers of a petition or answer or consent seeking reorganization or relief under the Bankruptcy Code, the bankruptcy and insolvency laws of the Cayman Islands or any other applicable law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of either of the Issuers or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of any action by either of the Issuers in furtherance of any such action.

If an Event of Default shall have occurred and be continuing, the Trustee by notice to the Issuers at the direction of the Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class, may, subject to the Indenture, declare the principal of and accrued and unpaid interest on all the Notes to be immediately due and payable (except that, in the case of an Event of Default described in subclause (v) or (vi) above, such an acceleration will occur automatically and shall not require any action by the Trustee or any Noteholder).

At any time after such a declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as provided in accordance with the terms of the Indenture, a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class, by written notice to the Issuers and the Trustee or the Issuing and Paying Agent, as applicable, may rescind and annul such declaration and its consequences if

(i) the Issuer or the Co-Issuer has paid or deposited with the Trustee a sum sufficient to pay, and shall pay:

(A) all overdue installments of interest on and principal of the Notes (other than amounts due solely as a result of such acceleration);

(B) to the extent that payment of such interest is lawful, interest upon any Defaulted Interest at the applicable Series Interest Rate;

(C) all unpaid taxes and Administrative Expenses and other sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel; and

(D) all unpaid Portfolio Selection Fees;

(ii) the Trustee has determined that at Events of Default, other than the non-payment of the interest on or principal of Notes that have become due solely by such acceleration, have been cured and a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class by written notice to the Trustee or the Issuing and Paying Agent, as applicable, has agreed with such determination or waived such Event of Default as provided in the Indenture; and
Footnote Exhibits - Page 4869

(ii) each of the Credit Default Swap, the Basic Swap, the Collateral Put Agreement and the Collateral Disposal Agreement has not been terminated or any such termination has been rescinded.

If an Event of Default should occur and be continuing, the Trustee will make payments to the holders of the Notes only in the manner described in "Description of the Notes—Priority of Payments", except that if acceleration has occurred in accordance with the terms of the Indenture, or if a Payment Default has occurred and has not been cured or waived, no interest shall be payable on any Class of Notes until the Currency Adjusted Aggregate Outstanding Amount of each Series of all Classes of Notes that are senior to such Class, if any, have been paid in full.

If an Event of Default should occur and be continuing, the Trustee will retain the Issuer Assets securing the Notes intact and continue making payments in the manner described above under "—Priority of Payments" unless:

(i) the Trustee determines that the anticipated proceeds of a sale or liquidation of the Collateral (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the aggregate of the amounts referred to in subclause (b) through (vi) of "Priority of Payments—Principal Proceeds—Stated Maturity, Optional Redemption Date or Mandatory Redemption Date" and a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class agrees with such determination;

(ii) the holders of at least 66 2/3% of the Aggregate USD Equivalent Outstanding Amount of each Class of Notes (voting separately by Class), subject to the provisions of the Indenture, direct the sale and liquidation of the Collateral;

As soon as practicable following the occurrence of either condition specified in subclause (i) or (ii) above, the Trustee will liquidate all Eligible Investments and the Issuer or the Trustee shall notify the Collateral Disposal Agent to liquidate all Collateral Securities.

A Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class will have the right to direct the Trustee in conducting any proceedings or in the sale of any or all of the Collateral, but only if (i) such direction will not conflict with any rule of law or the Indenture and (ii) the Trustee determines that such action will not involve it in liability (unless the Trustee has, in its opinion, received satisfactory indemnity against any such liability).

Pursuant to the Indenture, as security for the payment by the Issuer of the compensation and expenses of the Trustee and any sums the Trustee may be entitled to receive as indemnification by the Issuer, the Issuer has granted the Trustee a lien on the Issuer Assets, which is senior to the lien of the Holders of the Notes on the Issuer Assets. The Trustee's lien is exercisable by the Trustee only if the Notes have become due and payable following an Event of Default.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in the event that an Event of Default with respect to the Notes occurs and is continuing, the Trustee is under no obligation to exercise any of the rights or powers under the Indenture at the request of any Holders of Notes, unless such Holders have offered to the Trustee reasonable security or indemnity in the opinion of the Trustee.

A Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class may, in certain cases, waive any default with respect to such Notes, except (a) a default specified in subclause (b) of the definition of "Events of Default" or (b) a default in respect of a covenant or provision of the Indenture that cannot be modified or amended without the waiver or consent of the Holder of each Outstanding Note adversely affected thereby.
Footnote Exhibits - Page 4870

No Holder of a Note will have the right to institute any proceeding with respect to the Indenture unless (i) such Holder previously has given to the Trustee or the Issuing and Paying Agent, as applicable, written notice of a continuing Event of Default; (ii) except in the case of a default in the payment of principal, the Holders of at least 25% of the Aggregate USD Equivalent Outstanding Amount of the Notes have made a written request upon the Trustee to institute such proceedings in its own name as Trustee and such Holders have offered the Trustee reasonable indemnity; (iii) the Trustee has for 30 days failed to institute any such proceeding; and (iv) no direction inconsistent with such written request has been given to the Trustee or the Issuing and Paying Agent, as applicable, during such 30-day period by a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class.

See "Glossary of Defined Terms—Outstanding" for determining whether the Holders of the requisite percentage of Notes have given any direction, notice or consent.

Notices. Notices to the Holders of the Notes shall be given by first class mail, postage prepaid, to each Holder at the address appearing in the Note Register or in the Issuer Note Register, as applicable. In addition, for so long as any Series of Notes is listed on any stock exchange and the rules of such stock exchange so require, notice given to the Holders of any such Series of Notes shall also be given to the stock exchange in accordance with its procedures.

Modification of Indenture. The Issuers and the Trustee may also enter into one or more supplemental indentures, without obtaining the consent of Holders of the Notes, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent or the Portfolio Selection Agent (x) so long as the S&P Rating Condition and the Moody's Rating Condition have been satisfied and if such supplemental indenture would have no materially adverse effect on any of the Holders of the Notes, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent (as evidenced by an opinion of counsel or an officer's certificate of the Issuer) or the Portfolio Selection Agent or (y) for any of the following purposes:

(i) to evidence the succession of any person to either the Issuer or Co-Issuer and the assumption by any such successor of the covenants of the Issuer or Co-Issuer in the Notes and the Indenture;

(ii) to add to the covenants of the Issuer or the Trustee for the benefit of the Holders of the Notes or to surrender any right or power conferred upon the Issuers;

(iii) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee, or add to the conditions, limitations or restrictions on the authorized amount, terms and purposes of the issue, authentication and delivery of the Notes;

(iv) to evidence and provide for the acceptance of appointment by a successor trustee and to add to or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the trusts under the Indenture by more than one Trustee;

(v) to correct or amplify the description of any property at any time subject to the lien of the Indenture, or to correct, amplify or otherwise improve upon any pledge, assignment or conveyance to the Trustee of any property subject to or required to be subject to the lien of the Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the lien of the Indenture any additional property;

(vi) subject to clause (xx) below, to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in applicable law or regulation or the interpretation thereof or to enable the Co-Issuers to rely upon any exemption thereto.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918091
registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder;

(vii) to otherwise correct any inconsistency, mistake or cure any ambiguity (a) arising under the Indenture or (b) in connection with the final offering circular or any other transaction document;

(viii) to take any action necessary or advisable to prevent the Issuer or the Trustee from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated for United States federal income tax purposes as engaged in a United States trade or business or otherwise being subject to United States federal, state or local income tax on a net income basis;

(ix) to facilitate the issuance of additional Notes of any Class pursuant to the Indenture or the Selling and Paying Agency Agreement, as applicable;

(x) to modify certain representations and warranties relating to the Trustee's security interest in the Issuer Assets in order to maintain or strengthen security interests in response to changes in applicable law or regulation (or the interpretation thereof) relating thereto;

(xi) to facilitate the listing of any of the Notes on any exchange;

(xii) to facilitate the issuance of combination securities or other similar securities;

(xiii) to change the minimum denomination of the Notes, or

(xiv) to modify the applicable ERISA restrictions on and procedures for sales and other transfers of Notes to reflect any changes in applicable law or regulation (or the interpretation thereof) upon the receipt by the Issuer and the Trustee of satisfactory evidence, which may include an opinion of counsel, that such modified restrictions and/or modified procedures for sales and transfers are in compliance with applicable ERISA requirements.

The Trustee shall, consistent with the written advice of counsel, in its discretion determine whether or not the Holders of Notes, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent or the Portfolio Selection Agent would be materially adversely affected by any supplemental Indenture (after giving notice of such change to the Holders of Notes, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and the Portfolio Selection Agent), and such determination shall be conclusive on all present and future Holders.

With the consent of a Majority of the Aggregate USD Equivalent Outstanding Amount of Notes of each Class of Notes materially and adversely affected thereby, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent or the Portfolio Selection Agent, as the case may be, the Trustee and the Issuers may execute a supplemental Indenture to add provisions to, or change in any manner or eliminate any provisions of, the Indenture or modify in any manner the rights of the Holders of the Notes, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and the Portfolio Selection Agent; provided that, without the consent of each Holder of each Outstanding Note of each Class (or, in the case of subclause (i), each Series) materially adversely affected thereby no supplemental Indentures may be entered into which:

(i) change the Stated Maturity of any Note, or the date on which any installment of principal or interest on any Note is due and payable, reduce the principal amount of any Note or
the Series Interest Rate or the redemption price with respect to any Note, change the
earliest specified date on which any Note may be redeemed, change the provisions of
the Indenture for the application of Proceeds of any Issuer Assets to the payment of
principal of or interest on the Notes or change any place where, or the coin or currency in
which, any Note or the principal thereof or interest thereon is payable, or impair the
right to petition in the bankruptcy or reorganization of any such Issuer or to bring any
suit or other proceeding for its enforcement, on or after the Stated Maturity thereof
or, in the case of a redemption of a Note, on or after the Optional Redemption
Date, the applicable Partial Optional Redemption Date or the Mandatory Redemption
Date).

(i) reduce the percentage of the Aggregate USD Equivalent Outstanding Amount of Notes of
each Class whose consent is required for the authorization of any such supplemental indenture, or the consent of the Holders of which is required for any
waiver of compliance with certain provisions of the indenture or certain defaults
thereunder and their consequences;

(ii) impair or adversely affect the Issuer Assets except as otherwise permitted by the
Indenture;

(iii) except as expressly provided in the Indenture and other than the lien of the Indenture,
permit the creation of any lien with respect to any part of the Issuer Assets or terminate
such liens on any property at any time subject thereto or deprive the Holder of any Note or
the Trustee of the security afforded by the lien of the Indenture;

(iv) reduce the percentage of Holders of the Notes of each Class whose consent is required
to request the Trustee to preserve the Issuer Assets or rescind the Trustee’s election to
preserve the Issuer Assets or to sell or liquidate the Issuer Assets pursuant to the
Indenture;

(v) modify any of the provisions of the Indenture with respect to any supplemental indenture
except to increase the percentage of the Aggregate USD Equivalent Outstanding
Amount of Notes whose Holders’ consent is required for any such action or to provide
that other provisions of the indenture cannot be modified or waived without the consent
of the Holder of each Outstanding Note adversely affected thereby;

(vi) modify the definition in the indenture of the term “Outstanding”;

(vii) modify any of the provisions of the Indenture in such a manner as to (i) affect the
calculation of the amount of any payment of interest on or principal of any Note or (ii)
affect the right of the Holders of the Notes to the benefit of any provisions for the
redemption of the Notes contained therein;

(viii) amend any provision of the Indenture or any other agreement entered into by the Issuer
with respect to the transactions contemplated hereby relating to the institution of
proceedings for the Issuer or the Co-Issuer to be adjudicated as bankrupt or insolvent, or
the consent of the Issuer or the Co-Issuer to the institution of bankruptcy or insolvency
proceedings against it, or the filing with respect to the Issuer or the Co-Issuer of a
petition or answer or consent seeking reorganization, arrangement, moratorium or
liquidation proceedings, or other proceedings under the Bankruptcy Code or any similar
laws, or the consent of the Issuer or the Co-Issuer to the filing of any such petition or the
appointment of a receiver, liquidator, assignee, trustee or trustee or receiver (or other similar
official) of the Issuer or the Co-Issuer or any substantial part of its property, respectively;

Confidential Treatment Requested by Goldman Sachs
(x) amend any limited recourse provision of the indenture or any limited recourse provision of any other agreement entered into by the Issuer with respect to the transactions contemplated hereby (which limited recourse provision provides that the obligations of the Issuer are limited recourse obligations of the Issuer payable solely from the Issuer Assets in accordance with the terms of the indenture).

The Trustee shall, consistent with the written advice of counsel, in its discretion determine whether or not the Holders of the Notes, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent or the Portfolio Selection Agent would be adversely or materially adversely affected by any supplemental indenture (after giving notice of such change to the Holders of Notes, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and the Portfolio Selection Agent), and such determination shall be conclusive on all present and future Holders.

Unless the Portfolio Selection Agent has been given prior written notice of such amendment and has consented thereto in writing, no supplemental indenture may (a) affect the obligations or rights of the Portfolio Selection Agent including, without limitation, expanding or restricting the Portfolio Selection Agent's rights or obligations or (b) affect the amount, timing or priority of any fees payable to the Portfolio Selection Agent under the Portfolio Selection Agreement and the Indenture.

Under the Indenture, the Trustee will, for so long as the Notes are Outstanding and rated by the Rating Agencies, deliver a copy of any proposed supplemental indenture to the Rating Agencies not later than (i) 10 Business Days prior to the execution of such proposed supplemental indenture if such proposed supplemental indenture requires the S&P Rating Condition and the Moody's Rating Condition to be satisfied or (ii) at any time prior to the execution of such proposed supplemental indenture if such proposed supplemental indenture does not require the S&P Rating Condition or the Moody's Rating Condition to be satisfied, and no such supplemental indenture shall be entered into unless the S&P Rating Condition and the Moody's Rating Condition have been satisfied (other than a supplemental indenture entered into in accordance with clause (y) of the first paragraph of this section).

Notwithstanding anything to the contrary herein, any such supplemental indenture shall not affect the characterization of the Co-Issued Notes as debt for United States federal income tax purposes.

Additional Issuance. With respect to the Co-Issued Notes, a Series of any such Class may be issued from time to time following the Closing Date. Such additional issuance of such Series must satisfy the following conditions:

(a) the proceeds from any such additional issuance shall be used by the Issuer to purchase Collateral Securities at the direction of the Protection Buyer in a principal amount not less than the principal amount of such additional issuance or, pending such investment, deposited in the Principal Collection Account and invested in Eligible Investments; provided that the Collateral Securities and Eligible Investments purchased with the proceeds of such additional issuance will be denominated in the same Approved Currency in which such additional Series is denominated;

(b) the sum of the proceeds received from the issuance of such Series plus any Additional Issuance Upfront Payment received by the Issuer from the Protection Buyer in connection with such additional issuance must equal the principal amount of such Notes;

(c) the terms (other than the date of issuance, the Series Interest Rate, the Approved Currency in which such Notes are denominated, the Stated Maturity, the Non-Call Period, and the date from which interest will accrue) of any Series of Notes will be identical to the terms of any previously issued Notes of the relevant Class of such Series, if any.
Footnote Exhibits - Page 4874

(d) the Protection Buyer must notify the Rating Agencies of such additional issuance prior to such additional issuance;

(e) the S&P Rating Condition and the Moody’s Rating Condition must be satisfied, and

(f) if the additional issuance will cause the Aggregate USD Equivalent Outstanding Amount of any Class of Co-Issued Notes to exceed the Initial Class Notional Amount set forth in “Summary—Notes,” the issuer will receive written advice of counsel that, following such additional issuance, the Co-Issued Notes issued pursuant to such additional issuance will be treated as debt for U.S. federal income tax purposes and any Co-Issued Notes outstanding prior to such additional issuance would have received an opinion that such Co-Issued Notes will be treated as debt for U.S. federal income tax purposes after such additional issuance.

In connection with any such additional issuance, the issuer shall, to the extent required by the notes thereof, provide any applicable stock exchange with a listing circular or an offering circular supplement, relating to such notes.

Each Series of a given Class shall be pari passu with respect to Credit Event Adjustment Amounts, Notional Principal Adjustment Amounts and Reinvestment Adjustment Amounts as described herein.

For the avoidance of doubt, following a Partial Optional Redemption of any Series of Co-Issued Notes or Protection Buyer Notes that are Co-Issued Notes, additional Series of such Class may be issued in accordance with the requirements set forth in this section.

Jurisdictions of Incorporation. Under the Indenture, the issuer and the Co-Issuer will be required to maintain their rights and franchises as a company and a corporation incorporated under the laws of the Cayman Islands and the State of Delaware, respectively, to comply with the provisions of their respective organizational documents and to obtain and preserve their qualification to do business as foreign corporations in each jurisdiction in which such qualifications are or shall be necessary to protect the validity and enforceability of the Indenture, the Notes or any of the Issuer Assets; provided, however, that the Issuer shall be entitled to change its jurisdiction of incorporation from the Cayman Islands to any other jurisdiction reasonably selected by the Issuer and approved by the common shareholder of the Issuer so long as (a) such change is not disadvantageous in any material respect to the Issuer, the Holders of any Class of Notes, the Protection Buyer, the Basic Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent and the Portfolio Selection Agent, (b) written notice of such change shall have been given by the Issuer to the Trustee, the Issuing and Paying Agent, the Holders of any Class of Notes, the Protection Buyer, the Basic Swap Counterparty, the Collateral Put Provider, the Portfolio Selection Agent and each of the Rating Agencies at least 10 Business Days prior to such change of jurisdiction, (c) the S&P Rating Condition shall have been satisfied and (d) on or prior to the 15th Business Day following such notice the Trustee or the Issuing and Paying Agent, as applicable, shall not have received written notice from a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class, the Protection Buyer, the Basic Swap Counterparty, the Collateral Put Provider or the Collateral Disposal Agent objecting to such change.

Petitions for Bankruptcy. The Indenture will provide that neither (i) the Trustee, in its own capacity, nor on behalf of any Noteholder nor (ii) the Noteholders may, prior to the date which is one year and one day (or, if longer, the applicable preference period) after the payment in full of all Notes institute against, or join any other person in instituting against, the Issuer or Co-Issuer any bankruptcy, reorganization, arrangement, moratorium or liquidation proceedings, or other proceedings under federal or state bankruptcy or similar laws, including under Cayman Islands law.

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-001918096
Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Issuer Assets securing the Notes upon delivery to the Trustee or the Issuing and Paying Agent, as applicable, for cancellation of all of the Notes, or, within certain limitations (including the obligation to pay principal and interest), upon deposit with the Trustee of funds sufficient for the payment or redemption thereof and the payment by the Issuer of all other amounts due under the Indenture.

Trustee. LaSalle Bank National Association will be the Trustee under the Indenture for the Notes. The Trustee and their Affiliates may maintain other banking relationships in the ordinary course of business with the Trustees. The payment of the fees and expenses of the Trustee relating to the Notes is from the obligations of the Issuer. The Trustee and/or its Affiliates may receive compensation in connection with the Trustee’s investment of trust assets in certain eligible investments as provided in the Indenture and in connection with the Trustee’s administration of any securities lending activities of the Issuer.

The Indenture contains provisions for the indemnification of the Trustee for any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Reports Prepared Pursuant to the Indenture. Upon the written request in the form of Exhibit A hereto, any Noteholder may request that the Trustee or the Issuing and Paying Agent, as applicable, prepare to such Noteholder the monthly reports and certain other reports prepared by or on behalf of the Issuer in accordance with the Indenture.

Governing Law. The Indenture and the Co-Issued Notes will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed therein.

The Notes will be in book-entry form. Persons acquiring beneficial ownership interests in the Notes will hold their interests through DTC if such Persons are direct participants in DTC, or indirectly through organizations that are participants in DTC. Therefore, a Person who holds a beneficial ownership interest in the Notes will only be permitted to exercise their rights through DTC and participants of DTC. DTC or any other intermediary shall be the registered holder of the Notes and DTC will only take action with respect to such rights as the instruction or the direction of the participants. Similarly, if the Trustee or the Issuing and Paying Agent, as applicable, has to provide any notice to Noteholders or to solicit the consent of any Noteholder, the Trustee or the Issuing and Paying Agent, as applicable, will only act through DTC (which in turn will notify its relevant participants, which in turn will notify Persons holding beneficial ownership interests in the Notes).

From time to time following the Closing Date, any Noteholder may submit to the Trustee, or the Issuing and Paying Agent, as applicable, in writing, a Notice Holder Communication Notice requesting that the contents of such communication be sent to all other Noteholders. Within three Business Days of receiving such Notice Holder Communication Notice, the Trustee or Issuing and Paying Agent, as applicable, will deliver to all Noteholders a Trustee Notice Holder Communication Notice.

The Issuing and Paying Agency Agreement

Pursuant to the Issuing and Paying Agency Agreement, LaSalle Bank National Association will be appointed as the Issuing and Paying Agent. The Issuer may at any time and from time to time terminate the appointment of the Issuing and Paying Agent and appoint one or more additional Issuing and Paying Agents. The Issuer will give prompt notice to the Trustee of the appointment or termination of the Issuing and Paying Agent and of the location and any change in the location of the Issuing and Paying Agent’s office or agency. The Issuing and Paying Agent will provide notice to the Holders of the Issuer Notes of any such change of which it receives notice.

Confidential Treatment Requested by Goldman Sachs

GS MSS-E-001918096
Pursuant to the Issuing and Paying Agency Agreement, LaSalle Bank National Association will be appointed as the Issuer Note Registrar. The Issuer Note Registrar will keep the note register and provide for the registration and transfer of the Issuer Notes. The Issuer may at any time and from time to time terminate the appointment of the Issuer Note Registrar and appoint one or more additional Issuer Note Registrars. The Issuer will give written notice to the Issuing and Paying Agent of the appointment or termination of the Issuer Note Registrar and of the location and any change in the location of the Issuer Note Registrar’s office. The Issuer Note Registrar will provide notice to the Holders of the Issuer Notes of any such change of which it receives notice.

The Issuing and Paying Agent will make distributions on the Issuer Notes and perform various fiscal services on behalf of the Issuer. On or prior to the Closing Date, the Issuing and Paying Agent will establish a segregated bank account designated as the “Issuer Notes Distribution Account.” The Issuing and Paying Agent will deposit any funds received from the Trustee pursuant to the Indenture (including, without limitation, all distributions of Interest Proceeds and Principal Proceeds on each Payment Date, any other Business Day on which Currency Adjusted National Principal Adjustment Amounts are paid by the Issuer to the Holders of the Issuer Notes or the Stated Maturity for, or date of redemption of, the applicable Issuer Notes, made by the Trustee to the Issuing and Paying Agent pursuant to the Indenture as described herein under “Priority of Payments”) into the Issuer Notes Distribution Account.

Pursuant to the Issuing and Paying Agency Agreement, the Issuing and Paying Agent, on behalf of the Issuer, will promptly give notice of the amount distributed thereunder for the relevant Payment Date to the Holders of the Issuer Notes and to the Issuer. The Issuing and Paying Agent will also make such information available to Holders of the Issuer Notes at its offices. Distributions to Holders of the Issuer Notes, if any, will be paid on each Payment Date, any other Business Day on which Currency Adjusted National Principal Adjustment Amounts are paid by the Issuer to the Holders of the Issuer Notes or the Stated Maturity for, or date of redemption of, a Class of the Issuer Notes, as applicable, to the persons in whose names such Issuer Notes are registered in the Issuer Note Registrar at the close of business on the Record Date for such Payment Date. Pursuant to the Issuing and Paying Agency Agreement, distributions to Holders of any Class of Issuer Notes will be paid pro rata to Holders of such Class; provided that such pro rata allocation will be based on the Aggregate USD Equivalent Outstanding Amount of such Class of Notes held by each such Holder but will be payable to each such Holder in the applicable Approved Currency with respect to each such Holder’s Currency Adjusted Aggregate Outstanding Amount of such Notes.

The Issuing and Paying Agency Agreement also provides for the terms of transfer and exchange of the Issuer Notes described herein under “Transfer Restrictions.” The payment of the fees and expenses of the Issuing and Paying Agent and the Issuer Note Registrar is solely the obligation of the Issuer. The Issuing and Paying Agency Agreement contains provisions for the determination of the Issuing and Paying Agent and the Issuer Note Registrar against any and all liabilities, costs and expenses (including reasonable legal fees and expenses) relating to or arising out of (i) in connection with their performance under the Issuing and Paying Agency Agreement, except to the extent that such liabilities, costs and expenses are caused by the negligence, willful misconduct or bad faith of the Issuing and Paying Agent or the Issuer Note Registrar, as the case may be.

Additional Issuance. With respect to the Issuer Notes, a Series of any such Class may be issued from time to time following the Closing Date. Such additional issuance of such Series must satisfy the following conditions:

(a) the proceeds from any such additional issuance shall be used by the Issuer to purchase Collateral Securities at the direction of the Protection Buyer in a principal amount not less than the principal amount of such additional issuance or, pending such investment, deposited in the Principal Collection Account and invested in Eligible Investments, provided that the Collateral Securities and Eligible Investments purchased with the
Footnote Exhibits - Page 4877

The proceeds of such additional issuance will be denominated in the same Approved Currency in which such additional Series is denominated;

(b) the sum of the proceeds received from the issuance of such Series plus any Additional Issuance Uplift Payment received by the Issuer from the Protection Buyer in connection with such additional issuance must equal the principal amount of such Notes;

(c) the terms (other than the date of issuance, the Series Interest Rate, the Approved Currency in which such Notes are denominated, the Stated Maturity, the Non-Call Period and the date from which interest will accrue) of any Series of Notes will be identical to the terms of any previously issued Notes of the relevant Class of such Series, if any;

(d) the Protection Buyer shall notify the Rating Agencies of such additional issuance prior to such additional issuance; and

(e) the S&P Rating Condition and the Moody’s Rating Condition must be satisfied.

In connection with any such additional issuance, the Issuer shall, to the extent required by the rules thereof, provide any applicable stock exchange with a listing circular or an offering circular supplement, relating to such Notes.

For the avoidance of doubt, following a Partial Optional Redemption of any Series of Issuer Notes or Protection Buyer Notes that are Issuer Notes, additional Series of such Class may be issued in accordance with the requirements set forth in this section.

Governing Law. The Issuer Notes and each Deed of Covenant will be governed by, and construed in accordance with, the laws of the Cayman Islands. The Issuing and Paying Agent Agreement will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed therein without regard to the conflict of laws principles thereof.

Reports Prepared Pursuant to the Indenture. Upon the written request in the form of Exhibit A hereof, any Holder of the Issuer Notes may request that the Issuing and Paying Agent provide to such Holder the monthly reports and certain other reports prepared by or on behalf of the Issuer in accordance with the terms of the Indenture.

USE OF PROCEEDS

The aggregate net proceeds of the offering of the Notes are expected to equal approximately $192,000,000 (including the USD Equivalent of the Notes denominated in Approved Currencies other than Dollar). The Issuer will use such net proceeds, together with part or all of the Uplift Payment, to purchase Collateral Securities and Eligible Investments that will have an aggregate principal amount of at least $192,000,000 (including the USD Equivalent of the Collateral Securities denominated in Approved Currencies other than Dollar), provided that, for each Approved Currency, the aggregate principal amount of Collateral Securities and Eligible Investments denominated in such Approved Currency and purchased with the proceeds of the offering will equal or exceed the Currency Adjusted Aggregate Outstanding Amount of Notes denominated in such Approved Currency on the Closing Date.

RATINGS OF THE NOTES

It is a condition to the issuance of the Notes issued on the Closing Date that the Notes of each such Class receive from the Rating Agencies the maximum rating indicated under “Summary—Ratings”. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

Confidential Treatment Requested by Goldman Sachs

GS MBB-E-001916058
THE CREDIT DEFAULT SWAP

The following description of the Credit Default Swap is a summary of certain provisions of the Credit Default Swap. The following summary does not purport to be complete, and is qualified in its entirety by reference to the detailed provisions of the Credit Default Swap.

The Notes do not represent an obligation of the Protection Buyer. Noteholders will not have any right to proceed directly against the Protection Buyer in respect of the Protection Buyer’s obligations under the Credit Default Swap. However, the Holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class will have the right to direct the Issuer with respect to the enforcement of any claims that they may have against the Protection Buyer. Notwithstanding the foregoing, if the Protection Buyer is the sole defaulting party or Affected Party under the Credit Default Swap, then the Issuer will have 30 days to enter into a replacement credit default swap and basis swap (otherwise a Mandatory Redemption will occur). See “[Replacement].”

Effective Date and Termination Date

The effective date of the Credit Default Swap will be the Closing Date.

Unless terminated prior to its scheduled termination date, or unless an Extended Termination Date as described in this section occurs, the Credit Default Swap will terminate on February 22, 2023 (the “Scheduled Termination Date”).

Credit Event Notices may be given (the “Notice Delivery Period”) during the period from and including the Closing Date to and including the earlier of the Scheduled Termination Date or a Credit Default Swap Early Termination Date.

If, on the Scheduled Termination Date a Credit Event has occurred with respect to which the Conditions to Settlement have been satisfied, but with respect to which the Credit Default Swap Settlement Date has not occurred, the termination date of the Credit Default Swap will extend up to the day that is the last Credit Default Swap Settlement Date (such day, the “Extended Termination Date”).

The “Termination Date” of the Credit Default Swap will be the later of (i) the Scheduled Termination Date and (ii) the Extended Termination Date.

Payments

Upfront Payment by the Protection Buyer to the Issuer.

On the Closing Date, the Protection Buyer will make an upfront payment (the “Upfront Payment”) to the Issuer in an amount with respect to each Approved Currency, if greater than zero, equal to:

(i) the sum of (a) the amount needed to purchase the Initial Collateral Securities denominated in such Approved Currency (with an aggregate principal amount of at least the Currency Adjusted Aggregate Outstanding Amount of Notes denominated in such Approved Currency) and (b) expenses incurred on or prior to the Closing Date in such Approved Currency in connection with the offering of the Notes and the transactions contemplated hereby, less

(ii) the Currency Adjusted Aggregate Outstanding Amount of Notes denominated in such Approved Currency.
Periodic Payments by the Protection Buyer to the Issuer.

(i) On the Closing Date and each Payment Date prior to the earliest to occur of (a) the final Stated Maturity of all Series of Notes, (b) an Optional Redemption in Whole or (c) a Mandatory Redemption, the Protection Buyer will pay to the Issuer an amount equal to the aggregate of:

(i) the product, with respect to each Series of Notes Outstanding, of:

(a) the Applicable Spread for such Series;

(b) the Currency Adjusted Aggregate Outstanding Amount of such Series of Notes on such date; and

(c) the applicable Day Count Fraction for the Interest Accrual Period commencing on such date;

(ii) the product, with respect to each Class of Notes Outstanding, of:

(a) the Aggregate USD Equivalent Outstanding Amount of such Class on such date;

(b) the Applicable Class Portfolio Selection Fee Rate with respect to such Class of Notes; and

(c) the actual number of days in the Interest Accrual Period (or, if on such date the Protection Buyer has a long-term rating below "AA-" by S&P, the actual number of days in the next two Interest Accrual Periods) commencing on such date divided by 360;

(iii) an amount equal to the Collateral Put Provider Fee Amount due on the immediately succeeding Payment Date to the Collateral Put Provider pursuant to the Collateral Put Agreement; and

(iv) an amount equal to the Administrative Expenses expected to be paid pursuant to clause (i) of the "Description of the Notes—Priority of Payments—Interest Proceeds" on the immediately succeeding Payment Date (or, if on such date the Protection Buyer has a long-term rating below "AA-" by S&P, the amount determined to be due on the following two Payment Dates as determined by the Credit Default Swap Calculation Agent in a commercially reasonable manner (excluding, for the avoidance of doubt, any indemnities payable by the Issuer); plus

(f) on each Payment Date, an amount, if greater than zero, equal to:

(i) the amount required to be paid pursuant to clauses (i) through (v) of "Description of the Notes—Priority of Payments—Interest Proceeds" on such Payment Date (excluding, for the avoidance of doubt, any indemnities payable by the Issuer); less

(ii) the amount on deposit on such Payment Date in the CDS Issuer Fixed Payment Subaccount plus the Monthly Basis Swap Payment due on such Payment Date (each payment made under (i) and (ii) above, a "Fixed Payment").
Footnote Exhibits - Page 4880

Cash Settlement Amounts paid by the Issuer to the Protection Buyer.

On a Credit Default Swap Calculation Date, the Credit Default Swap Calculation Agent will
determine the Cash Settlement Amount that will need to be paid by the Issuer on the related Credit
Default Swap Settlement Date. See "Summary—The Credit Default Swap".

In addition, on a Credit Default Swap Calculation Date, the Trustee will direct the liquidation of
any Eligible Investments held by the Issuer and denominated in the Approved Currency in which such
Cash Settlement Amount is payable (assuming that the Issuer will receive at least 100% of par for such
Eligible Investments in any such liquidation, other than Put Excluded Collateral) in an amount sufficient to
pay the related Cash Settlement Amount on the Credit Default Swap Settlement Date.

If such liquidation proceeds are insufficient to pay such Cash Settlement Amount, the Issuer or
Trustee will direct the Collateral Disposal Agent to attempt to sell a par amount of Collateral Securities
(rounded up, if necessary, to reflect minimum denominations) in an amount (assuming that the Issuer will
receive at least 100% of par for such Collateral Securities in any such liquidation, other than Put Excluded
Collateral), when added to the amount of proceeds expected to be received by the Issuer from liquidation
of Eligible Investments (assuming that the Issuer will receive at least 100% of par for such Eligible
Investments, other than Put Excluded Collateral), sufficient to pay a Cash Settlement Amount (the par
amount of Collateral Securities to be liquidated in connection with any liquidation of the Collateral
Securities, the "Collateral Securities Principal Amount"), for settlement on the Credit Default Swap
Settlement Date. The Collateral Disposal Agent shall select in its sole discretion the particular Collateral
Securities to be liquidated in an aggregate principal amount equal to the Collateral Securities Principal
Amount (the Collateral Securities selected by the Collateral Disposal Agent to be liquidated in connection
with any liquidation of Collateral Securities, the "Selected Collateral Securities"), provided that any such
Selected Collateral Securities will be denominated in the same currency as the Notes, the Currency
Adjusted Aggregate Outstanding Amount of which is reduced by the related Currency Adjusted Credit
Event Adjustment Amount. The Collateral Disposal Agent will then attempt to solicit bids for the sale of
each such Selected Collateral Security. The Collateral Disposal Agent may, in its sole discretion, bid up
to 103% for such Selected Collateral Security (excluding any accrued interest) if the Collateral Disposal
Agent is not able to procure a third-party bid of at least 100% for a Selected Collateral Security will be sold
to the highest bidder for settlement on the Credit Default Swap Settlement Date. Pursuant to the terms of
the Credit Default Swap, if the liquidation proceeds of Eligible Investments and Collateral Securities would
have been sufficient to pay a Cash Settlement Amount (less such Collateral (other than Put Excluded
Collateral) been liquidated at least at 100% of par (instead of below 100% of par), the Issuer will be
deemed to have paid such Cash Settlement Amount in full upon the Protection Buyer's receipt of the
actual related liquidation proceeds.

See "Summary—The Credit Default Swap—Cash Settlement Amount".

Payment by the Protection Buyer to the Issuer in connection with a Reference Obligation
Reimbursement.

On the Payment Date immediately following the Due Period during which a Reference Obligation
Reimbursement Amount is determined by the Credit Default Swap Calculation Agent with respect to one
or more Reference Obligation(s), and so long as such Reference Obligation(s) remains in the Reference
Portfolio at the time of such Reference Obligation Reimbursement, the Protection Buyer will pay to the
Issuer an amount equal to the aggregate of (i) the Currency Adjusted Reimbursement Adjustment Amounts
payable on such date and (ii) the ICE Currency Adjusted Interest Reimbursement Amounts payable on
such date.
Footnote Exhibits - Page 4881

Payments by the Protection Buyer to the Issuer in connection with an additional issuance of
Notes.

Following the Closing Date, on or prior to the date on which the Issuer issues additional Notes,
the Protection Buyer will (in the event such additional issuance occurs) make a payment to the Issuer (in
the Approved Currency in which such additional Notes are denominated) equal to the product of (i) the
per amount of such additional Notes and (ii) the greater of (a) 100% less the issuance price of such
additional Notes (expressed as a percentage of the par amount thereof) and (b) zero (any such payment,
an "Additional Issuance Upfront Payment").

Payments by the Protection Buyer to the Issuer in connection with the Issuer's purchase of
Collateral Securities.

Following the Closing Date, on or prior to the date on which the Issuer purchases a Collateral
Security, the Protection Buyer shall (in the event the Issuer actually purchases a Collateral Security)
makes a payment to the Issuer equal to the product of (i) the per amount of such Collateral Security and
(ii) the greater of (a) the purchase price (including accrued and unpaid interest) of such Collateral Security
(expressed as a percentage of the par amount thereof) less 100.00% and (b) zero.

Payment on the Stated Maturity, the Optional Redemption Date or the Mandatory Redemption
Date.

On the Stated Maturity, the Optional Redemption Date or the Mandatory Redemption Date,
in addition to any Credit Default Swap Termination Payment, the Protection Buyer may, to the extent of
available Principal Proceeds, receive from the Issuer an amount as described under subclause (a) of
"Description of the Notes—Priority of Payments—Principal Proceeds—Stated Maturity, Optional
Redemption Date or Mandatory Redemption Date".

On the Stated Maturity for any Series of Notes or a Mandatory Redemption caused by a
termination of the Credit Default Swap as a result of a default by the Protection Buyer, a termination
of the Collateral Put Agreement as a result of a default by the Collateral Put Provider or a termination of the
Basis Swap as a result of a default by the Basis Swap Counterparty, the Protection Buyer will make a
payment to the Issuer in an amount equal to the aggregate of the Currency Adjusted Redemption Refund
Adjustment Amounts determined with respect to such date (any such payment, a "Redemption
Writearound Refund").

Payment in Connection with a Replacement Credit Default Swap.

On the date a replacement credit default swap is entered into with a Replacement Counterparty,
the Protection Buyer may receive a termination payment from the Issuer.

Payment on a Partial Optional Redemption Date.

In the case of a Partial Optional Redemption, at the sole discretion of the Protection Buyer, the
Protection Buyer may pay to the Issuer an amount (the "Partial Optional Redemption End Payment")
equal to (a) the aggregate amount required to be paid to the Issuer on the Partial Optional Redemption
Date in accordance with subclause (a) of "Description of the Notes—Priority of Payments—Principal
Proceeds—Other Payment Dates" plus (b) the Principal Proceeds that are expected to be available on
the Partial Optional Redemption Date to pay the amount described in subclause (a) after giving
consideration to any currency exchange, provided, however, that a Partial Optional Redemption will be
effectuated only in accordance with the Indenture.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001919102
Payment by the Protection Buyer to the Issuer in connection with Collateral denominated in Approved Currencies.

On each Credit Default Swap Settlement Date and with respect to each Approved Currency, the Protection Buyer will pay to the Issuer the difference, if greater than zero, between (i) the Currency Adjusted Aggregate Outstanding Amount of all Notes denominated in such Approved Currency and (ii) the principal balance of Collateral (including Cash) held by the Issuer in the Collateral Account and denominated in such Approved Currency (for the avoidance of doubt, such amounts as determined after giving effect to the payment of any Cash Settlement Amount on such date) so long as such difference arises in connection with the liquidation of Collateral in order to pay a Cash Settlement Amount (any such payment, an "Approved Currency Collateral Payment").

Credit Events

"Failure to Pay Principal" means, with respect to any Reference Obligation (i) a failure by the related Reference Entity or (or any Issuer thereof) to pay the Expected Principal Amount of such Reference Obligation on the applicable Final Amortization Date or the applicable Legal Final Maturity Date, as the case may be or (ii) payment on any such day of an Actual Principal Amount that is less than the Expected Principal Amount of such Reference Obligation, provided that the failure by such Reference Entity (or such Issuer) to pay any such amount in respect of principal in accordance with the foregoing shall not constitute a Failure to Pay Principal if such failure has been remedied within any grace period applicable to such payment obligation under the related Underlying Instruments or, if no such grace period is applicable, within three Business Days after the day on which such Expected Principal Amount was scheduled to be paid.

"Write-down" means with respect to any Reference Obligation, the occurrence at any time on or after the Closing Date of:

(i) a write-down or applied loss (however described in the related Underlying Instruments) resulting in a reduction in the Reference Obligation Outstanding Principal Amount with respect to such Reference Obligation (other than as a result of a scheduled or unscheduled payment of principal); or

(ii) the attribution of a principal deficiency or realized loss (however described in the related Underlying Instruments) to such Reference Obligation resulting in a reduction or subordination of the current interest payable on such Reference Obligation;

(iii) the forgiveness of any amount of principal by the holders of such Reference Obligation pursuant to an amendment to the related Underlying Instruments resulting in a reduction in the related Reference Obligation Outstanding Principal Amount; or

(iv) the related Underlying Instruments do not provide for write-downs, applied losses, principal deficiencies or realized losses as described in subclause (i) above to occur in respect of such Reference Obligation, an implied Write-down Amount being determined in respect of such Reference Obligation by the Credit Default Swap Calculation Agent.

The Reference Portfolio

The Reference Portfolio is set out in Schedule A and will not be modified other than as described under "Removal of Reference Obligations from the Reference Portfolio".

Confidential Treatment Requested by Goldman Sachs
Removal of Reference Obligations from the Reference Portfolio

Following a Credit Event and the satisfaction of the Conditions to Settlement making events, the Reference Obligation that is the subject of such Credit Event will not be removed from the Reference Portfolio, and in the case of a Reference Obligation that suffered a Write-down, such Reference Obligation may experience one or more subsequent Credit Events (including a subsequent Write-down).

Following the redemption or amortization in full of a Reference Obligation, the Reference Obligation that has been redeemed or amortized in full will be removed from the Reference Portfolio. Subject to the foregoing, if the Reference Obligation Notional Amount of a Reference Obligation that suffered one or more Credit Events is reduced to zero at any time on or prior to the Scheduled Termination Date and remains at zero for a period of one calendar year, such Reference Obligation shall be removed from the Reference Portfolio as of the last day of such one calendar year period, provided that if such Reference Obligation that suffered one or more Credit Events experiences a Reference Obligation Remuneration for which the Reference Obligation Repayment Amount equals the ICE Reference Obligation Notional Amount Difference of such Reference Obligation immediately prior to such determination, the Reference Obligation shall be removed from the Reference Portfolio immediately following the determination of such Reference Obligation Remuneration Amount by the Credit Default Swap Calculation Agent.

Credit Default Swap Early Termination

Credit Default Swap Event of Default.

The occurrence of any of the following events will constitute a ‘Credit Default Swap Event of Default’:

(i) failure by the Issuer, the Protection Buyer or the Protection Buyer Credit Support Provider to make, when due, any payment under the Credit Default Swap, and the continuance of such failure for three Business Days after notice of such failure is given to such party;

(ii) failure by the Protection Buyer or the Protection Buyer Credit Support Provider to comply with or perform any agreement or obligation to be complied with or performed by it, as the case may be, in accordance with any Protection Buyer Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(iii) the expiration or termination of any Protection Buyer Credit Support Document or the taking or ceasing of such Protection Buyer Credit Support Document to be in full force and effect for the purpose of the Credit Default Swap (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of the Protection Buyer under the Credit Default Swap without the written consent of the Issuer; and (iv) the Protection Buyer or the Protection Buyer Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Protection Buyer Credit Support Document; or

(iv) the occurrence of certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization with respect to the Protection Buyer or the Protection Buyer Credit Support Provider.
Credit Default Swap Termination Events.

The occurrence of any of the following events will constitute a "Credit Default Swap Termination Event":

(i) it becomes unlawful for the Protection Buyer, the Protection Buyer Credit Support Provider or the Issuer to perform its obligation to make a payment or delivery or to receive a payment or delivery under the Credit Default Swap or to comply with any other material provision thereof or for the Protection Buyer or the Protection Buyer Credit Support Provider to perform its obligations under any Protection Buyer Credit Support Document and no party is able to transfer its obligations to a different jurisdiction or substitute another entity in its place so that such legality ceases to apply;

(ii) because of (a) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the Closing Date (regardless of whether such action is taken or brought with respect to the Issuer or the Protection Buyer) or (b) a change in tax law, such party will, or there is a substantial likelihood that it will, on the next succeeding payment date be required to (x) make a "gross-up" payment to the other party in respect of an indemnifiable tax or (y) receive a payment from the other party subject to withholding or deduction of a tax for which the other party is not required to make a "gross-up" payment;

(iii) as a result of the Issuer's or the Protection Buyer's consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to another entity, the Issuer or the Protection Buyer is required to (a) make a "gross-up" payment to the other party or (b) receive a payment from which an amount has been deducted or withheld for or on account of any indemnifiable tax;

(iv) a Collateral Default;

(v) the Notes becoming due and payable in accordance with the indenture at any time prior to their Stated Maturity after the occurrence of an Event of Default;

(vi) an Adverse Tax Event;

(vii) an Optional Redemption in Whole;

(viii) the designation of a Basis Swap Early Termination Date; or

(ix) the designation of a Collateral Put Agreement Early Termination Date.

Upon the Trustee or the Issuing and Paying Agent becoming aware of the occurrence of any event that gives rise to the right of the Issuer to terminates the Credit Default Swap, the Basis Swap or the Collateral Put Agreement, the Trustee or Issuer and Paying Agent, as applicable, will as promptly as practicable notify the Holders of such event and the Trustee will terminate any such agreement on behalf of the Issuer at the direction of (i) in the case of the Credit Default Swap or the Basis Swap, a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes and (ii) in the case of the Collateral Put Agreement, 100% of the Aggregate USD Equivalent Outstanding Amount of the Notes, in each case voting as a single class. In addition, if an Event of Default or a Termination Event (as such term is defined in the Credit Default Swap) for which the Protection Buyer is the sole defaulting party or Affected Party under the Credit Default Swap (as such term is defined in the Credit Default Swap), then the Issuer will have 30 days to enter into a replacement credit default swap. See "—Replacement".

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918105
Footnote Exhibits - Page 4885

Payments on Credit Default Swap Early Termination

Payment by the Issuer. Upon the occurrence of a Credit Default Swap Early Termination, the Issuer will be required to pay to the Protection Buyer the following amounts:

(i) any Cash Settlement Amounts owed by the Issuer to the Protection Buyer for any Credit Events that occur on or prior to the Credit Default Swap Early Termination Date for which the Conditions to Settlement have been satisfied; and
(ii) any Credit Default Swap Termination Payment.

Payment by the Protection Buyer. Upon the occurrence of a Credit Default Swap Early Termination, the Protection Buyer will be required to pay to the Issuer the following amounts:

(i) any accrued but unpaid Fixed Payments;
(ii) any Credit Default Swap Termination Payment; and
(iii) in the case of an Optional Redemption in Whole, at the sole discretion of the Protection Buyer, an amount (the "End Payment") equal to (x) the aggregate amount required to be paid by the Issuer on the Optional Redemption Date in accordance with subclauses (i) through (vi) of "Description of the Notes—Priority of Payments—Principal Proceeds—Stated Maturity; Optional Redemption Date or Mandatory Redemption Date" less (y) the Principal Proceeds that are expected to be available on the Optional Redemption Date to pay the amount described in subclause (a) (after giving consideration to any currency exchange, if necessary), provided, however, that an Optional Redemption in Whole will be effected only in accordance with the indenture.

As used herein, "Credit Default Swap Termination Payment" means the replacement cost or gain for a portfolio credit default swap with the financial terms of the Credit Default Swap, calculated in accordance with the terms of the Credit Default Swap, provided, however, that no Credit Default Swap Termination Payment shall be payable by the Protection Buyer in connection with a Credit Default Swap Early Termination caused by an Optional Redemption in Whole.

Amendment

The Credit Default Swap may be amended at any time without satisfying the S&P Rating Condition or the Moody's Rating Condition or obtaining the consent of the Noteholders so long as such amendment would not have a material adverse effect on any Holders of the Notes. Otherwise, the Credit Default Swap may be amended only with the satisfaction of the S&P Rating Condition and the Moody's Rating Condition and with the consent of the Noteholders (in a percentage as would have been required had such amendment been taken pursuant to the indenture).

Unless the Portfolio Selection Agent has been given prior written notice of such amendment and has concurred thereto in writing, no amendment to the Credit Default Swap may (a) affect the obligations or rights of the Portfolio Selection Agent including, without limitation, expanding or restricting the Portfolio Selection Agent's discretion, rights or obligations or (b) affect the amount, timing or priority of any fees payable to the Portfolio Selection Agent under the Portfolio Selection Agreement and the Credit Default Swap.
Transfer

Neither the issuer nor the Protection Buyer may transfer its rights and obligations under the Credit Default Swap without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed, except that, and in any case subject to the S&P Rating Condition:

(i) a party may make such a transfer of its rights and obligations pursuant to a consolidation or amalgamation with, or merger into, or transfer of all or substantially all its assets to or reorganization, incorporation, reincorporation or reorganization into or as, another entity;

(ii) a party may make such a transfer of all or any part of its interest in certain amounts payable to it from a defaulting party under the Credit Default Swap; and

(iii) the Protection Buyer may, without recourse, transfer the Credit Default Swap (in whole and not in part only) to any of the Protection Buyer’s Affiliates so long as:
   (a) GS Group (or another entity with a credit rating at least equal to that of GS Group) guarantees such transferred obligations of the transferee pursuant to a guarantee in substantially the form of the guaranty of GS Group specified in the Credit Default Swap or such transferee has a credit rating at least equal to that of GS Group;
   (b) the issuer will not have to make any tax gross-up payments to such Affiliate in an amount greater than what the issuer would have been required to pay to the Protection Buyer in the absence of such transfer;
   (c) any payment paid by such Affiliate to the issuer will not be subject to any withholding tax in excess of what the Protection Buyer would have been required to so withhold or deduct in the absence of such transfer;
   (d) it does not become unlawful for either party to perform any obligation under the Credit Default Swap as a result of such transfer; and
   (e) a Credit Default Swap Early Termination does not occur as a result of such transfer.

Replacement

If an Event of Default or a Termination Event (as such term is defined in the Credit Default Swap, Basis Swap and/or Collateral Put Agreement, as applicable) for which the Protection Buyer, Basis Swap Counterparty and/or Collateral Put Provider is the sole defaulting party or Affected Party (as such term is defined in the Credit Default Swap, Basis Swap and/or Collateral Put Agreement, as applicable) under the Credit Default Swap, Basis Swap and/or Collateral Put Agreement, as applicable, then the issuer will automatically terminate the Credit Default Swap, Basis Swap and Collateral Put Agreement and shall, within 30 days following such termination, enter into a replacement credit default swap and basis swap with a party nominated by the Protection Buyer, Basis Swap Counterparty and/or Collateral Put Provider, as applicable, (the “Replacement Counterparty”), subject to satisfaction of the following (the "Replacement Counterparty Procedures") on or prior to the completion of such 30 day period:

(i) all of the Collateral (other than Put Excluded Collateral) will be liquidated (and the Collateral Put Agreement will not be exercisable in the case of such liquidation), and the proceeds thereof, after giving effect to any termination payments payable by the issuer to the Protection Buyer and the Basis Swap Counterparty, will be used by the issuer to acquire Put Excluded Collateral. If the aggregate principal amount of the Collateral denominated in each Approved Currency following such liquidation is not at least equal to the Currency Adjusted Aggregate Outstanding Amount of the Notes denominated in each such Approved Currency, such liquidation will be deemed to be a default hereunder. If the aggregate principal amount of the Collateral denominated in each Approved Currency following such liquidation is not at least equal to the Currency Adjusted Aggregate Outstanding Amount of the Notes denominated in each such Approved Currency, such liquidation will be deemed to be a default hereunder.
such Approved Currency, the Replacement Counterparty will pay as an upfront payment to the issuer under the replacement credit default swap an amount sufficient to cause the aggregate principal amount of the Collateral denominated in each Approved Currency to be at least equal the Currency Adjusted Aggregate Outstanding Amount of the Notes denominated in such Approved Currency, and the Issuer will use such funds to purchase additional Put Excluded Collateral;

(iii) the Replacement Counterparty will enter into a replacement credit default swap with the Issuer on substantially similar terms to the Credit Default Swap entered into on the Closing Date, with the effective date being the day on which the Credit Default Swap is terminated;

(iv) pursuant to the terms of a replacement credit default swap, any failure to maintain Put Excluded Collateral denominated in each Approved Currency in an amount at least equal to the Currency Adjusted Aggregate Outstanding Amount of the Notes denominated in such Approved Currency will be deemed an election by the Replacement Counterparty to terminate the replacement credit default swap and will cause an Optional Redemption in Whole;

(v) on the date that a replacement credit default swap is entered into between the Replacement Counterparty and the Issuer and on any date of determination thereafter, the Replacement Counterparty will post to the Issuer (a) the fixed payment due for all Payment Dates ending on the later of (1) the sixth Payment Date from the date of determination or (2) the end of the Non-Call Period, (provided that such payment will be calculated based on the Currency Adjusted Aggregate Outstanding Amount of the Notes denominated in each Approved Currency on the date of payment) and (b) any ICE Currency Adjusted Interest Reimbursable Amounts at such time of determination;

(vi) pursuant to the terms of the replacement credit default swap, any failure to post the amounts specified in clause (v) will be deemed an election by the Replacement Counterparty to terminate the replacement credit default swap and will cause an Optional Redemption in Whole;

(vii) the Replacement Counterparty will enter into a replacement basis swap with the Issuer on substantially similar terms to the Basis Swap entered into on the Closing Date, with the effective date being the day on which the Basis Swap is terminated;

(viii) on the date that a replacement basis swap is entered into between the Replacement Counterparty and the Issuer and on any date of determination thereafter, the Replacement Counterparty will post to the Issuer (a) the monthly basis swap payment due for all Payment Dates ending on the later of (1) the sixth Payment Date from the date of determination or (2) the end of the Non-Call Period, (provided that such payment will be calculated based on the Currency Adjusted Aggregate Outstanding Amount of the Notes denominated in each Approved Currency on the date of payment);

(ix) any failure to post the amounts specified in clause (viii) will be deemed an election by the Replacement Counterparty to terminate the replacement credit default swap and will cause an Optional Redemption in Whole;

(x) all interest accrued on the Put Excluded Collateral will be paid by the Issuer to the Replacement Counterparty as a basis swap payment pursuant to the terms of the replacement basis swap;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001916108
Footnote Exhibits - Page 4888

(6) the payment of any unpaid Portfolio Selection Fees by the Issuer to the Portfolio Selection Agent following a corresponding payment by the Replacement Counterparty to the Issuer; and

(61) in all cases, any related opinions (including an opinion of nationally recognized tax counsel) experienced in such matters to the effect that such replacement credit default swap or basis swap will not cause the issuer to be treated as engaged in a United States trade or business which must be received in order to enter into any replacement credit default swap or basis swap. Documentation and agreements will be subject to review by the Rating Agencies, in the case of documentation or agreements, for the sole purpose of establishing that such documentation or agreements are consistent with the Replacement Counterparty Procedures and such documentation and agreements shall be subject to the satisfaction of the S&P Rating Condition.

Subject to the foregoing, Goldman Sachs has separately agreed to nominate a replacement counterparty under the circumstances described above.

If the Replacement Counterparty Procedures are not completed within such 30 day period, then a Mandatory Redemption will occur.

For the avoidance of doubt, any termination payments payable by either the Issuer or the Protection Buyer under the Credit Default Swap or to the Basis Swap Counterparty under the Basis Swap will not be payable until the earlier to occur of (a) the date that all of the Replacement Counterparty Procedures are satisfied and (b) the Mandatory Redemption Date, which payments in the case of clause (b) will be subject to the Priority of Payments.

Guarantee

GS Group will guarantee the obligations of the Protection Buyer under the Credit Default Swap.

THE PROTECTION BUYER

The Protection Buyer is Goldman Sachs Capital Markets, L.P. As described above, GS Group will guarantee the obligations of Goldman Sachs Capital Markets, L.P., as the Protection Buyer under the Credit Default Swap. Goldman Sachs Capital Markets, L.P. is an Affiliate of GS Group.

GS Group, together with its subsidiaries, is a leading global investment banking, securities and investment management firm that provides a wide range of financial services worldwide to a substantial and diversified clientbase that includes corporations, financial institutions, governments and high net-worth individuals. GS Group is required to file annual, quarterly and current reports, proxy statements and other information with the United States Securities and Exchange Commission (the "SEC"). GS Group’s filings with the SEC are also available to the public through the SEC’s Internet site at http://www.sec.gov and through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which GS Group’s common stock is listed.

Investors in Notes are hereby informed that the reports and other information with respect to GS Group on file with the SEC to which investors are referred above are not and will not be "incorporated by reference" herein.

The Notes do not represent an obligation of, and will not be insured or guaranteed by, GS Group or any of its subsidiaries and investors will have no rights or recourse against GS Group or any of its subsidiaries.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918109
Footnote Exhibits - Page 4889

THE COLLATERAL SECURITIES

The initial Collateral Securities

On the Closing Date, the Issuer will use the net proceeds of the offering and part or all of the Upfront Payment to purchase the securities described in the table below (the "Initial Collateral Securities"), together with Supplemental Collateral Securities and any BIE Collateral Securities purchased by the Issuer, the "Collateral Securities"), at the direction of the Protection Buyer. Such Initial Collateral Securities and any Eligible Investments purchased by the Issuer on the Closing Date will have a USD Equivalent aggregate principal amount of at least $192,999,999; provided that the aggregate principal amount of the Collateral Securities and Eligible Investments purchased with the proceeds of the offering denominated in any Approved Currency will equal the Currency Adjusted Aggregate Outstanding Amount of Notes denominated in such Approved Currency on the Closing Date. The Issuers of the Collateral Securities are subject to certain requirements of the Securities Exchange Act of 1934 and, in accordance therewith, file reports and other information with the SEC. Reports and other information filed by the Issuers of the Collateral Securities with the SEC can be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549 or can be obtained from the SEC through its website at www.sec.gov. With respect to the Initial Collateral Security that is a CLO Security, the related offering circular has been attached to this Offering Circular and provides a description of the terms of such initial Collateral Security.

Supplemental Collateral Securities

The Protection Buyer shall direct the Issuer to purchase a Supplemental Collateral Security only if it satisfies the following criteria at the time of purchase (the "Collateral Security Eligibility Criteria") (in each case as confirmed by the Collateral Administrator based on information and calculations supplied by the Credit Default Swap Calculation Agent); provided, however, that in the case of a Supplemental Collateral Security purchased with Excess Disposition Proceeds, such Collateral Security need only satisfy the criteria described in clauses (vi), (v) and (vi) through (xii) below:

1. other than with respect to an RMBS Agency Security, it has (a) an Actual Rating by S&P of "AAA" and (b) an Actual Rating by Moody's of "Aaa";

2. (a) it is the senior-most class of securities issued by its obligor, it being acknowledged and agreed that such senior class may be paid pro rata with other senior classes of such securities issued by such obligor with respect to the payment of interest but must be senior to any other classes of such securities issued by such obligor with respect to the redemption of principal and (b) the aggregate notional amount of such class of securities at the time of issuance, together with the aggregate notional amount of any pro rata classes described in subclause (a) at the time of issuance, is greater than 10% of the initial aggregate notional amount of securities issued by such obligor;

3. the obligor of such Supplemental Collateral Security is not a Reference Entity in respect of any Reference Obligation in the Reference Portfolio;

4. It is denominated in an Approved Currency;

5. it provides for the payment of interest at a floating rate determined by reference to LIBOR, EURIBOR, GBP-LIBOR, JPY-LIBOR, AUD-LIBOR, CAD-LIBOR or NZD-BRR.

<table>
<thead>
<tr>
<th>Original Principal</th>
<th>Current Principal</th>
<th>Security</th>
<th>MOODY'S RATING</th>
<th>CLO-Ticker</th>
<th>Fraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>$192,999,999</td>
<td>$192,999,999</td>
<td>DWOF273971AA</td>
<td>A A</td>
<td>CLO-Ticker 273971</td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001919110
(v) It is either (a) an ABS Credit Card Security, (b) an ABS Student Loan Security, (c) an ABS Automobile Security, (d) an ABS Car Rental Receivable Security, (e) a Residential Mortgage-Backed Security (other than an Excluded Specified Type), (f) a Commercial Mortgage-Backed Security (other than an Excluded Specified Type) or (g) a CLO Security other than an Excluded Specified Type;

(vi) It must have been offered by an underwriter, a placement agent or any person acting in a similar capacity through a public prospectus, private placement memorandum or any other similar document;

(vii) It must be acquired from a party acting in its capacity as broker-dealer in the ordinary course of business, or an arm's-length open market transaction, and if not, is approved by SAP;

(viii) It must not be a United States real property interest within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended (the "Code");

(ix) It must not provide for delayed funding or is not a revolving loan;

(x) It is treated as debt for U.S. tax purposes or the Alternative Debt Test is satisfied;

(xi) It is Registered; and

(xii) If such obligation or security is subject to any withholding tax, the obligor of the obligation or security is required to make "gross-up" payments that cover the full amount of such withholding tax on an after-tax basis pursuant to the Underlying Instrument with respect thereto.

In addition to satisfying the Collateral Security Eligibility Criteria, a Supplemental Collateral Security or BEI Collateral Security will be eligible for inclusion in the Collateral only if, after the inclusion of such Supplemental Collateral Security or BEI Collateral Security in the Collateral, the Weighted Average Life of the Collateral would not exceed 7.0 years, with such maximum declining by approximately 0.25 years each year from the Payment Date in April 2008, provided that such maximum shall not be reduced to less than 2.0 years. Such Weighted Average Life, calculated in terms of years, shall in each case be rounded to one decimal place prior to the determination of compliance with the constraint referred to in the previous sentence. For example, a Weighted Average Life of 7.05 years will be rounded to 7.1 years (the test described in this paragraph, the "Collateral Weighted Average Life Test").

In addition to satisfying the Collateral Security Eligibility Criteria and the Collateral Weighted Average Life Test, including following the purchase of any Supplemental Collateral Securities, the Issuer may hold Collateral Securities issued by no more than 15 obligors at any one time (the "Collateral Security Quantity Constraint").

In addition to satisfying the Collateral Security Eligibility Criteria, the Collateral Weighted Average Life Test and the Collateral Security Quantity Constraint, a Supplemental Collateral Security must be denominated in a certain Approved Currency if so required as described under "Summary—The Collateral Securities—Supplemental Collateral Securities—Purchase of Supplemental Collateral Securities".

Substitution of Collateral Securities

From time to time following the Closing Date, any Noteholder may submit to the Trustee or the Issuing and Paying Agent, as applicable, in writing, a Collateral Security Substitution Request Notice requesting the substitution of one or more BEI Collateral Securities for one or more existing Collateral

Confidential Treatment Requested by Goldman Sachs GS MBS-E-0019181111
Securities, in whole or in part. The Trustee or the Issuing and Paying Agent, as applicable, will promptly forward such Collateral Security Substitution Request Notice to the Protection Buy. Within five Business Days of receiving such Collateral Security Substitution Request Notice, the Protection Buyer will determine whether each Proposed New BIE Collateral Security identified in the Collateral Security Substitution Request Notice is a BIE Collateral Security and will provide information and calculations in such respect to the Trustee. The Trustee will review and confirm such calculations and, if the BIE Collateral Security Eligibility Criteria are satisfied, the Trustee will determine the BIE Transaction Cost and (6) request the Basis Swap Calculation Agent to determine the BIE Basis Swap Payment. Upon such determination by the Trustee (or the Basis Swap Calculation Agent), the Trustee or the Issuing and Paying Agent, as applicable, will deliver either (1) a Collateral Security Substitution Information Notice or (2) a Collateral Security Substitution Receipt Notice to the Originating Noteholder with respect to each Collateral Security Substitution Request Notice, as applicable, provided, however, if the Trustee or the Issuing and Paying Agent, as applicable, delivers a Collateral Security Substitution Receipt Notice to the Originating Noteholder, the related Collateral Security Substitution Request Notice will be deemed to be void and of no further effect.

Within five Business Days of receiving a Collateral Security Substitution Information Notice relating to a Collateral Security Substitution Request Notice, the Originating Noteholder must notify the Trustee or the Issuing and Paying Agent, as applicable, and the Protection Buyer whether it wishes to proceed with the proposed substitution and, if it (i) agree to pay any BIE Transaction Cost (regardless of whether the Holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class consent to such proposed substitution) and, if the proposed substitution occurs, any applicable BIE Basis Swap Payment (the occurrence of substitutions (i) and (ii), a "Substitution Confirmation"), if a Substitution Confirmation is not received by the Trustee or the Issuing and Paying Agent, as applicable, within the time period specified above, the related Collateral Security Substitution Request Notice will be deemed to be void and of no further effect. Upon the receipt of a Substitution Confirmation, the Trustee or the Issuing and Paying Agent, as applicable, will deliver a BIE Consent Solicitation to the Portfolio Selector Agent and all Noteholders, including the Originating Noteholder. Upon receipt of such BIE Consent Solicitation, each Noteholder may, on or prior to the BIE Notification Date, submit written notice to the Trustee or the Issuing and Paying Agent, as applicable, indicating either (1) approval or (2) disapproval of the Proposed New BIE Collateral Security. If the Trustee determines that (1) the BIE Consent Solicitation failed to receive the approval of the Holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class by the BIE Notification Date, the Trustee or the Issuing and Paying Agent Agreement will deliver a Collateral Security Substitution Notiﬁcation Notice to the Originating Noteholder and the related Collateral Security Substitution Request Notice will be deemed void and of no further effect or (2) the BIE Consent Solicitation received the approval of holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class, it will deliver a BIE Acceptance Notice to the Originating Noteholder.

Upon receiving confirmation (1) from the Basis Swap Counterparty that the Originating Noteholder has paid the BIE Basis Swap Payment to the Basis Swap Counterparty, (2) that the Originating Noteholder has paid the BIE Transaction Cost to the Issuer and (3) that the relevant BIE Collateral Securities have been delivered to the issuer, and the par amount of such delivered BIE Collateral Securities is equal to the par amount of the existing Collateral Securities to be substituted, the Trustee shall, subject to its lien on the par amount of the relevant existing Collateral Securities to be substituted and deliver the par amount of such substituted Collateral Securities to such Originating Noteholder.

If (1) any BIE Collateral Security is not delivered to the Issuer, (2) the Issuer is not paid the BIE Transaction Cost or (3) the Basis Swap Counterparty is not paid the BIE Basis Swap Payment, in each case by the end of the BIE Exercise Period identified in the BIE Acceptance Notice, the BIE Acceptance Notice and the Collateral Security Substitution Request Notice will be deemed void and of no further effect.
821

Footnote Exhibits - Page 4892

Voting and Other Matters Relating to Collateral Securities

If the issuer has the right to vote or give consent in respect of any amendment, modification, waiver under any document relating to any Collateral Security or receives any other solicitation for any action with respect to any Collateral Security, the Trustee or the Issuing and Paying Agent, as applicable, shall give each Noteholder notice of such proposed action, including a description thereof, requesting instructions from each Noteholder as to whether or not to take such action, and, after receiving instruction from each Noteholder, the Trustee shall cause the issuer to give such vote, consent or withhold consent, as the case may be, making such determination based on decision of Holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class.

Notwithstanding the preceding paragraph, the Collateral Disposal Agent will have the right to direct the Trustee to take certain actions with respect to Collateral Securities. See "The Collateral Disposal Agreement—Exercise of Put, Repurchase or Similar Right".

THE BASIS SWAP

The following description of the Basis Swap is a summary of certain provisions of the Basis Swap. The following summary does not purport to be complete, and is qualified in its entirety by reference to the detailed provisions of the Basis Swap.

The Notes do not represent an obligation of the Basis Swap Counterparty. Noteholders will not have any right to proceed directly against the Basis Swap Counterparty in respect of the Basis Swap Counterparty's obligations under the Basis Swap. However, the Holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class will have the right to direct the issuer with respect to the enforcement of any claims that it may have against the Basis Swap Counterparty. Notwithstanding the foregoing, if the Basis Swap Counterparty is the sole defaulting party of Affected Party under the Basis Swap, then the issuer will have 30 days to enter into a replacement credit default swap and basis swap (otherwise a Mandatory Redemption will occur). See "The Credit Default Swap—Replacement".

Effective Date and Scheduled Termination

The effective date of the Basis Swap will be the Closing Date.

Unless terminated prior to its scheduled termination date, the Basis Swap will terminate on March 1, 2038.

Payments

Periodic Payments by the Basis Swap Counterparty to the Issuer.

On each Payment Date, the Basis Swap Counterparty will pay to the issuer the aggregate of (each aggregate with respect to any Payment Date, a "Monthly Basis Swap Payment"), for each Approved Currency in which Outstanding Notes are denominated, the products of:

(i) the Applicable Index for the Applicable Period;

(ii) the average daily Currency Adjusted Aggregate Outstanding Amount of such Notes during the preceding Basis Swap Calculation Period; and

(iii) the applicable Day Count Fraction.

Confidential Treatment Requested by Goldman Sachs

GS MSS-E-001916113
The Basis Swap Counterparty shall be the calculation agent, as defined under the Basis Swap (the "Basis Swap Calculation Agent").

**Periodic Payments by the Issuer to the Basis Swap Counterparty.**

Pursuant to the Basis Swap, the issuer is obligated to pay to the Basis Swap Counterparty the Basis Swap Payment on each Payment Date. See "Summary—The Basis Swap—Terms" and "Priority of Payments—Interest Proceeds".

**Basis Swap Early Termination.**

The occurrence of any of the following events will constitute a "Basis Swap Event of Default":

(i) failure by the issuer, the Basis Swap Counterparty or any Basis Swap Counterparty Credit Support Provider to make, when due, any payment under the Basis Swap, and the continuance of such failure for three Business Days after notice of such failure is given to such party;

(ii) failure by the Basis Swap Counterparty or any Basis Swap Counterparty Credit Support Provider to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Basis Swap Counterparty Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(iii) the expiration or termination of any Basis Swap Counterparty Credit Support Document of the falling or ceasing of any such Basis Swap Counterparty Credit Support Document to be in full force and effect for the purpose of the Basis Swap (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of the Basis Swap Counterparty under the Basis Swap without the written consent of the issuer; and

(iv) the occurrence of certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization with respect to the issuer or the Basis Swap Counterparty.

**Basis Swap Termination Event.**

The occurrence of any of the following events will constitute a "Basis Swap Termination Event":

(i) it becomes unlawful for either the Basis Swap Counterparty, any Basis Swap Counterparty Credit Support Provider or the issuer to perform its obligation to make a payment or delivery or to receive a payment or delivery under the Basis Swap or to comply with any other material provision thereof or with the Basis Swap Counterparty or any Basis Swap Counterparty Credit Support Document and neither party is able to transfer its obligations to a different jurisdiction or substitute another entity in its place so that such legality ceases to apply;

(ii) because of (a) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the Closing Date (regardless of whether such action is taken or brought with respect to the issuer, the Basis Swap Counterparty, or any Basis Swap Counterparty Credit Support Provider) or (b) a change in tax law, the Basis Swap Counterparty or any Basis Swap Counterparty Credit Support Provider will, or there is a substantial likelihood that it will, on the next succeeding payment date be required to...
(1) make a "gross-up" payment in respect of an indemnifiable tax or (2) receive a payment subject to withholding or deduction of a tax for which the other party is not required to make a "gross-up" payment;

(ii) as a result of the Basis Swap Counterparty or any Basis Swap Counterparty Credit Support Provider consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to another entity, such party is required to (a) make a "gross-up" payment to the other party or (b) receive a payment from which an amount has been deducted or withheld for or on account of any indemnifiable tax, and neither party is able to transfer such obligation to a different jurisdiction or substitute another entity in its place such that the withholding or deduction does not apply;

(v) the Notes becoming due and payable in accordance with the indenture at any time prior to their Stated Maturity after the occurrence of an Event of Default;

(vi) an Adverse Tax Event;

(vii) the Basis Swap Counterparty or the Basis Swap Counterparty Credit Support Provider do not satisfy the Required Basis Swap Counterparty Rating and at least one of the following events has not occurred: (1) within the time period specified in the Basis Swap with respect to such downgrade, the Basis Swap Counterparty shall transfer the Basis Swap, in whole, but not in part, to a counterparty that satisfies the Required Basis Swap Counterparty Rating, (2) within the time period specified in the Basis Swap with respect to such downgrade, the Basis Swap Counterparty, so long as it has a long-term rating of at least "BBB+" by S&P, shall collateralize its exposure to the Issuer, subject to the satisfaction of the S&P Rating Condition or the Moody's Rating Condition, as applicable, (3) within the time period specified in the Basis Swap with respect to such downgrade, the obligations of the Basis Swap Counterparty under the Basis Swap shall be guaranteed by a person or entity that satisfies the Required Swap Counterparty Rating, subject to the satisfaction of the S&P Rating Condition or the Moody's Rating Condition, as applicable, or (4) within the time period specified in the Basis Swap with respect to such downgrade, the Basis Swap Counterparty shall take such other steps, if any, as each of the Rating Agencies that has downgraded the Basis Swap Counterparty may require in order to be able to confirm to the Issuer in writing that the Basis Swap Counterparty's obligations under the Basis Swap will be treated by such Rating Agency as if such obligations were owed by a counterparty that satisfies the Required Basis Swap Counterparty Rating, provided that in the case of subclause (2) above, or if the Basis Swap Counterparty has previously posted collateral due to a failure to satisfy the Required Basis Swap Counterparty Rating, the Basis Swap Counterparty (based on consultation with S&P) may be required to provide an opinion of counsel regarding the Issuer's ability to terminate the Basis Swap, liquidate the posted collateral and make amounts owed to it free of any stay or other delay due to a bankruptcy of the Basis Swap Counterparty, provided that in the case of any of subclauses (1) through (4) above, such actions shall be at the sole expense of the Basis Swap Counterparty;

(viii) the designation of a Credit Default Swap Early Termination Date;

(ix) the designation of a Collateral Put Agreement Early Termination Date; or

(x) a Collateral Default.

Upon the Trustee becoming aware of the occurrence of any event that gives rise to the right of the Issuer to terminate the Credit Default Swap, the Basis Swap or the Collateral Put Agreement, the Trustee or the Issuing and Paying Agent, as applicable, will as promptly as practicable notify the
Payments on Basis Swap Early Termination.

Payment by the Issuer. Upon the occurrence of a Basis Swap Early Termination, the issuer will be required to pay to the Basis Swap Counterparty the following amounts:

(i) any accrued but unpaid Basis Swap Payment; and
(ii) any Basis Swap Termination Payment.

Payment by the Basis Swap Counterparty. Upon the occurrence of a Basis Swap Early Termination, the Basis Swap Counterparty will be required to pay to the Issuer the following amounts:

(i) any accrued but unpaid Monthly Basis Swap Payments; and
(ii) any Basis Swap Termination Payment.

As used herein, "Basis Swap Termination Payment" means the replacement cost or gain for a cash flow swap with the financial terms of the Basis Swap, calculated in accordance with the terms of the Basis Swap.

Amendment

The Basis Swap may be amended at any time without satisfying the S&P Rating Condition or the Moody's Rating Condition, or obtaining the consent of the Noteholders so long as such amendment would not have a material adverse effect on any Holders of the Notes. Otherwise, the Basis Swap may be amended only with the satisfaction of the S&P Rating Condition and the Moody's Rating Condition and the consent of the Noteholders (in a percentage as would have been required had such amendment been taken pursuant to the Indenture).

Transfer

Neither the Issuer nor the Basis Swap Counterparty may transfer its rights and obligations under the Basis Swap without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed, except that, and in any case subject to the S&P Rating Condition:

(i) a party may make such a transfer of its rights and obligations pursuant to a 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;

(ii) a party may make such a transfer of all or any part of its interest in certain amounts payable to it from a defaulting party under the Basis Swap; and

(iii) the Basis Swap Counterparty may, without recourse, transfer the Basis Swap (in whole and not in part only) to any of the Basis Swap Counterparty's Affiliates so long as:

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001018116
(a) (1) such Affiliate has a long-term, unsecured, unsubordinated debt obligation rating or financial program rating (or other similar ratings) by S&P and Moody’s which are equal to or greater than the comparable long-term, unsecured, unsubordinated debt obligation rating or financial program rating (or other similar ratings) of the Basis Swap Counterparty immediately prior to such transfer, or (2) the obligations transferred to such transferee must be guaranteed by the Basis Swap Counterparty pursuant to a guaranty in substantially the form of the guaranty of any Basis Swap Counterparty Credit Support Provider or other agreement or instrument consented to by the Issuer or other agreement or instrument mutually agreed upon by both parties and satisfactory to S&P.

(b) the Issuer will not have to make any tax gross-up payments to such Affiliate in an amount greater than what the Issuer would have been required to pay to the Basis Swap Counterparty in the absence of such transfer;

(c) any payment paid by such Affiliate to the Issuer will not be subject to any withholding tax in excess of what the Basis Swap Counterparty would have been required to so withhold or deduct in the absence of such transfer;

(d) it does not become unlawful for either party to perform any obligation under the Basis Swap as a result of such transfer; and

(e) a Basis Swap Early Termination does not occur as a result of such transfer.

Replacement

See "The Credit Default Swap—Replacement".

Guarantee

GS Group will guarantee the obligations of the Basis Swap Counterparty under the Basis Swap.

THE COLLATERAL PUT AGREEMENT

The following description of the Collateral Put Agreement is a summary of certain provisions of the Collateral Put Agreement. The following summary does not purport to be complete, and is qualified in its entirety by reference to the detailed provisions of the Collateral Put Agreement.

The Notes do not represent an obligation of the Collateral Put Provider. Noteholders will not have any right to proceed directly against the Collateral Put Provider in respect of the Collateral Put Provider’s obligations under the Collateral Put Agreement. However, the holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class will have the right to direct the Issuer with respect to the enforcement of any claims that it may have against the Collateral Put Provider. Notwithstanding the foregoing, if the Collateral Put Provider is the sole defaulting party or Affected Party under the Collateral Put Agreement, then the Issuer will have 30 days to enter into a replacement credit default swap and basis swap (otherwise a Mandatory Redemption will occur). See "The Credit Default Swap—Replacement".

On each Payment Date, the Issuer will pay to the Collateral Put Provider an amount, in Dollars, (each, a "Collateral Put Provider Fee Amount") equal to the product of:

(i) a rate of 0.06% per annum; and
Footnote Exhibits - Page 4897

(i) the Aggregate USD Equivalent Outstanding Amount of the Notes on the first day of the preceding Interest Accrual Period; and

(ii) the actual number of days in the preceding Interest Accrual Period divided by 360.

Effective Date and Scheduled Termination

The effective date of the Collateral Put Agreement will be the Closing Date.

Unless terminated prior to its scheduled termination date, the Collateral Put Agreement will terminate on March 1, 2036.

Payments and Delivery

In connection with any liquidation of the Collateral (other than Put Excluded Collateral) in connection with (i) the payment of any Currency Adjusted Notional Principal Adjustment Amount by the Issuer to the applicable Noteholders, (ii) an Optional Redemption in Whole or a Partial Optional Redemption or (iii) a Stated Maturity of any Series of Notes, if (x) the Collateral Disposal Agent is unable to obtain at least 100% of par for a Collateral Security and/or (y) the Trustee is unable to obtain at least 100% of par for Eligible investments (in each case (i) other than Put Excluded Collateral and (ii) excluding any accrued and unpaid interest), the Collateral Disposal Agent will inform the Trustee and the Issuer (in the case of (x) above) and the Trustee will inform the Issuer (in the case of (y) above). The Trustee will then, on behalf of the Issuer, exercise the Issuer’s right under the Collateral Put Agreement pursuant to which the Trustee will deliver such Collateral (other than Put Excluded Collateral) to the Collateral Put Provider in exchange for the payment by the Collateral Put Provider to the Issuer of an amount equal to 100% of par for such collateral (plus accrued and unpaid interest).

The Collateral Put Agreement will not apply to the liquidation of Collateral to fund the payment of

(i) Cash Settlement Amounts to the Protection Buyer or (ii) principal of the Notes in connection with a Mandatory Redemption.

Collateral Put Agreement Early Termination

Upon the occurrence of an early termination of the Collateral Put Agreement, (i) the Issuer will be required to pay to the Collateral Put Provider any accrued but unpaid Collateral Put Provider Fee Amount,

(ii) the Collateral Put Provider will be required to pay the Issuer any unpaid amounts with respect to its purchase of Collateral Securities from the Issuer pursuant to the Collateral Put Agreement and (iii) no other amounts will be payable pursuant to the Collateral Put Agreement.

Collateral Put Agreement Event of Default

The occurrence of any of the following events will constitute a “Collateral Put Agreement Event of Default”:

(i) failure by the Issuer, the Collateral Put Provider or the Collateral Put Provider Credit Support Provider to make, when due, any payment under the Collateral Put Agreement, and the continuance of such failure for three Business Days after notice of such failure is given to such party;

(ii) the failure by the Collateral Put Provider or the Collateral Put Provider Credit Support Provider to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with the Collateral Put Provider Credit Support Document if such failure is continuing after any applicable grace period has elapsed; (b) the expiration or termination of the Collateral Put Provider Credit Support Document or the failing or ceasing of such Collateral Put Provider Credit Support Document to be in full

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918118
Footnote Exhibits - Page 4898

force and effect for the purpose of the Collateral Put Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of the Collateral Put Provider under the Collateral Put Agreement without the written consent of the Issuer; and (v) the Collateral Put Provider or the Collateral Put Provider Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, the Collateral Put Provider Credit Support Document, or

(ii) the occurrence of certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization with respect to the Issuer, the Collateral Put Provider or the Collateral Put Provider Credit Support Provider.

Collateral Put Agreement Termination Events.

The occurrence of any of the following events will constitute a "Collateral Put Agreement Termination Event":

(i) it becomes unlawful for either the Collateral Put Provider, the Collateral Put Provider Credit Support Provider or the Issuer to perform its obligation to make a payment or delivery or to receive a payment or delivery under the Collateral Put Agreement or to comply with any other material provision thereof or for the Collateral Put Provider or any Collateral Put Provider Credit Support Provider to perform its obligations under the Collateral Put Provider Credit Support Document and neither party is able to transfer its obligations to a different jurisdiction or substitute another entity in its place so that such illegality ceases to apply;

(ii) because of (a) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the Closing Date (regardless of whether such action is taken or brought with respect to the Issuer, the Collateral Put Provider, or the Collateral Put Provider Credit Support Provider(s) or (b) a change in tax law, the Collateral Put Provider or the Collateral Put Provider Credit Support Provider will, or there is a substantial likelihood that it will, on the next succeeding payment date be required to (1) make a "gross-up" payment in respect of an indemnifiable tax or (2) receive a payment subject to withholding or deduction of a tax for which the other party is not required to make a "gross-up" payment;

(iii) as a result of the Collateral Put Provider or the Collateral Put Provider Credit Support Provider consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to another entity, such party is required to (a) make a "gross-up" payment to the other party or (b) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable tax, and neither party is able to transfer such obligation to a different jurisdiction or substitute another entity in its place such that the withholding or deduction does not apply;

(iv) the Notes becoming due and payable in accordance with the Indenture at any time prior to their Stated Maturity after the occurrence of an Event of Default;

(v) an Adverse Tax Event;

(vi) the designation of a Credit Default Swap Early Termination Date;

(vii) the designation of a Basis Swap Early Termination Date;

(viii) a Collateral Default; or
(9) If (a) the Collateral Put Provider no longer satisfies the Replacement Counterparty Rating and (b) none of the following events has occurred:

(1) within five Business Days of such failure to satisfy the Replacement Counterparty Rating, GSI, a replacement counterparty or an entity that guarantees the obligations of GSI or such replacement counterparty, as the case may be, posts eligible collateral, pursuant to a credit support annex (the "Credit Support Annex"), to the Issuer in an amount that satisfies the S&P Rating Condition and the Moody’s Rating Condition; or

(2) within 30 days of such Collateral Put Provider failing to satisfy the Replacement Counterparty Rating, if GSI, a replacement counterparty or an entity that guarantees the obligations of GSI or such replacement counterparty, as the case may be, does not elect to post eligible collateral to the Issuer in accordance with subclause (f) above:

(A) GSI or a replacement counterparty, as the case may be, transfers the Collateral Put Agreement, in whole, but not in part, to a counterparty that satisfies the Replacement Counterparty Rating, subject to "—Transfer" below;

(B) the obligations of GSI, a replacement counterparty or an entity that guarantees the obligations of GSI or such replacement counterparty, as the case may be, under the Collateral Put Agreement are guaranteed by a Person that satisfies the Replacement Counterparty Rating;

(C) (i) GSI, a replacement counterparty or an entity that guarantees the obligations of GSI or such replacement counterparty, as the case may be, purchases from the Issuer at a price of 100% any Collateral Security that has a market value of 95% or less, as determined by the Collateral Disposal Agent and (ii) after giving effect to the purchase described in the preceding subclause, the S&P Rating Condition and the Moody’s Rating Condition will be satisfied; or

(D) GSI, a replacement counterparty or an entity that guarantees the obligations of GSI or such replacement counterparty, as the case may be, takes such other steps, if any, as S&P or Moody’s, as the case may be, may require in order to be able to confirm to the Issuer in writing that GSI’s, a replacement counterparty or an entity that guarantees the obligations of GSI or such replacement counterparty, as the case may be, obligations under the Collateral Put Agreement will be treated by such Rating Agency as if such obligations were owed by a counterparty that satisfies the Replacement Counterparty Rating.

Upon the Trustee becoming aware of the occurrence of any event that gives rise to the right of the Issuer to terminate the Credit Default Swap, the Basis Swap or the Collateral Put Agreement, the Trustee or the Issuing Agent, as applicable, will as promptly as practicable notify the Noteholders of such event and the Trustee will terminate any such agreement on behalf of the Issuer at the direction of (i) in the case of the Credit Default Swap or the Basis Swap, a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes and (ii) in the case of the Collateral Put Agreement, 100% of the Aggregate USD Equivalent Outstanding Amount of the Notes, in each case voting as a single class. In addition, if an Event of Default or a Termination Event (as such term is defined in the Collateral Put Agreement) for which the Collateral Put Provider is the sole defaulting party or Affected Party (as such term is defined in the Collateral Put Agreement) under the Collateral Put Agreement, then
the issuer will have 30 days to enter into a replacement credit default swap and basis swap (otherwise a Mandatory Redemption will occur). See "The Credit Default Swap—Replacement". In connection with any Noteholder vote to terminate the Collateral Put Agreement, any Notes held by or on behalf of the Collateral Put Provider or any of its Affiliates will have no voting rights and will be deemed not to be Outstanding in connection with any such vote.

Amendment

The Collateral Put Agreement may be amended at any time without satisfying the S&P Rating Condition and the Moody's Rating Condition or obtaining the consent of the Noteholders so long as such amendment would not have a material adverse effect on any Holders of the Notes. Otherwise, the Collateral Put Agreement may be amended only with the satisfaction of the S&P Rating Condition and the Moody's Rating Condition and the consent of the Noteholders (in a percentage as would have been required had such amendment been taken pursuant to the Indenture).

Transfer

Neither the issuer nor the Collateral Put Provider may transfer its rights and obligations under the Collateral Put Agreement without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed, except that, and in any case subject to the S&P Rating Condition:

(i) a party may make such a transfer of its rights and obligations pursuant to a consolidation or amalgamation with, or merger into, or transfer of all or substantially all of its assets to, or reorganization, incorporation, reincorporation or reconstitution into or as, another entity;

(ii) a party may make such a transfer of all or any part of its interest in certain amounts payable to it from a defaulting party under the Collateral Put Agreement; and

(iii) the Collateral Put Provider may, without recourse, transfer the Collateral Put Agreement (in whole and not in part only) to any of the Collateral Put Provider's Affiliates so long as

(a) GS Group (or another entity with a credit rating at least equal to that of GS Group) guarantees such transferred obligations of the transferee pursuant to a guarantee in substantially the same form as the guarantee specified in the Collateral Put Agreement, or such transferee must have a credit rating at least equal to that of GS Group;

(b) the issuer will not have to make any tax gross-up payments to such Affiliate in an amount greater than what the issuer would have been required to pay to the Collateral Put Provider in the absence of such transfer;

(c) any payment paid by such Affiliate to the issuer will not be subject to any withholding tax in excess of what the Collateral Put Provider would have been required to so withhold or deduct in the absence of such transfer;

(d) it does not become unlawful for either party to perform any obligation under the Collateral Put Agreement or the Credit Support Annex, if any, as a result of such transfer; and

(e) a Collateral Put Agreement Early Termination does not occur as a result of such transfer.
Replacement

See "The Credit Default Swap—Replacement".

Guarantee

GS Group will guarantee the obligations of the Collateral Put Provider under the Collateral Put Agreement.

THE COLLATERAL DISPOSAL AGREEMENT

On the Closing Date, the Issuer will enter into the Collateral Disposal Agreement (the "Collateral Disposal Agreement") with Goldman, Sachs & Co. (in such capacity, the "Collateral Disposal Agent"). The following description of the Collateral Disposal Agreement is a summary of certain provisions of the Collateral Disposal Agreement. The following summary does not purport to be complete, and is qualified in its entirety by reference to the detailed provisions of the Collateral Disposal Agreement.

The Notes do not represent an obligation of the Collateral Disposal Agent. Noteholders will not have any right to proceed directly against the Collateral Disposal Agent in respect of the Collateral Disposal Agent's obligations under the Collateral Disposal Agreement. However, the Holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class will have the right to direct the Issuer with respect to the enforcement of any claims that it may have against the Collateral Disposal Agent.

Liquidation

In connection with any liquidation in part of the portfolio of Collateral Securities for any of the circumstances described in subclauses (i), (ii), (v) and (viii) under "Summary—The Collateral Securities—Supplemental Collateral Securities—Liquidation of Collateral Securities", the Collateral Disposal Agent will determine the Selected Collateral Securities to be liquidated (if applicable), after taking into consideration any proceeds from the liquidation of any Eligible Investments; provided that any such Selected Collateral Securities will be denominated in the same currency as the Notes for which the Currency Adjusted Aggregate Outstanding Amount is reduced by the related Currency Adjusted Credit Event Adjustment Amount. Currency Adjusted Notional Principal Adjustment Amount, Partial Optional Redemption or a Stated Maturity, as applicable.

In connection with any liquidation of any Collateral Securities, the Collateral Disposal Agent will use commercially reasonable efforts to solicit bids on behalf of the Issuer. The Collateral Disposal Agent may, in its sole discretion, bid up to 100% of the principal amount of a Collateral Security (excluding any accrued interest) if the Collateral Disposal Agent is not able to procure a third-party bid at least 100%. If such liquidation is in connection with the payment by the Issuer of a Currency Adjusted Notional Principal Adjustment Amount to the applicable Noteholders or an Optional Redemption in Whole or Partial Optional Redemption, the Issuer will have the benefit of the Collateral Put Agreement and no Collateral Security will be liquidated at less than 100% of par. See "The Collateral Put Agreement".

In connection with any liquidation of Collateral Securities as described in subclauses (v) under "Summary—The Collateral Securities—Supplemental Collateral Securities—Liquidation of Collateral Securities", the Collateral Disposal Agent will perform the acts described under "Description of the Notes—Mandatory Redemption", including, but not limited to, those acts described in the Special Termination Liquidation Procedure.

Confidential Treatment Requested by Goldman Sachs
Early Termination

The Collateral Disposal Agreement will terminate on the earlier of (i) the final Stated Maturity of any Series of Notes, (ii) the Optional Redemption Date, (iii) the Mandatory Redemption Date, (iv) a liquidation of all Collateral Securities following the occurrence of an Event of Default and (v) the termination of the Hediture in accordance with its terms.

Exercise of Put, Repurchase or Similar Right

Notwithstanding any provision to the contrary contained herein, the Collateral Disposal Agreement will permit the Trustee to exercise any put right, right under repurchase agreement or other similar right that the issuer has under any Collateral Security within the applicable time period.

Credit Support Amount Due and Payable

If a Credit Support Annex has been entered into by the Collateral Put Provider and the Issuer and any credit support amount becomes due and payable pursuant to the terms thereof, the Collateral Disposal Agent will (i) calculate the market value of each Collateral Security and (ii) notify the Collateral Put Provider of any such Collateral Security that has a market value of 95% or less.

Amendment

The Collateral Disposal Agreement may be amended only (i) if the S&P Rating Condition and the Moody's Rating Condition have been satisfied and (ii) with the consent of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class and the Protection Buyer. However, the Collateral Disposal Agreement may be amended at any time without the consent of the Noteholders so long as such amendment will not (i) reduce in any manner the amount of, or delay the timing of, payments which are required to be made to the Issuer or (ii) materially adversely affect the Noteholders (as evidenced by a failure of a Majority of the Noteholders to object to such amendment within 10 Business Days of the Issuer's delivering a notice of such amendment to all Noteholders).

THE PORTFOLIO SELECTION AGENT

The information appearing in this section (other than the information contained under the heading “General”) has been prepared by the Portfolio Selection Agent and has not been independently verified by the Issuer, the Initial Purchaser or any other person or entity. None of the Issuer or the Initial Purchaser assumes any responsibility for the accuracy, completeness or applicability of such information. Accordingly, the Portfolio Selection Agent assumes no responsibility for the accuracy, completeness or applicability of such information. The Portfolio Selection Agent does not assume responsibility for any other information in this Offering Circular.

General

The Portfolio Selection Agent will, pursuant to the terms of the Portfolio Selection Agreement, (a) select the Initial Reference Portfolio and (b) have the right to review the calculations of the Credit Default Swap Calculation Agent and the Trustee on any Determination Date. The Portfolio Selection Agent will not be responsible for producing or providing reports, notices or other information relating to the Notes or the Reference Portfolio. The Portfolio Selection Agent will not provide any other services to the Issuer or act as the "collateral manager" for the Collateral. The Portfolio Selection Agent will not have any fiduciary duties or other duties to the Issuer or to the holders of the Notes and will not have any ability to direct the Trustee to dispose of any items of Collateral.

The Portfolio Selection Agent is not permitted under the terms of the Credit Default Swap to remove or replace any Reference Obligations at any time.

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-001918123
Footnote Exhibits - Page 4903

The Portfolio Selection Agent, its Affiliates or client accounts for which the Portfolio Selection Agent or its Affiliates act as investment advisor may at times own Notes. Any Notes owned by the Portfolio Selection Agent or its Affiliates are subject to disposition by such parties in their discretion. At any given time the Portfolio Selection Agent and its Affiliates will be entitled to vote with respect to any Notes held by them and by such accounts with respect to all other matters. See "Risk Factors—Certain Conflicts of Interest Relating to the Portfolio Selection Agent and its Affiliates".

ACA Management, L.L.C.

ACA Management, L.L.C. ("ACA Management"), a Delaware limited liability company formed on May 4, 2001 to provide asset management services to affiliated and non-affiliated investors, is the portfolio selection agent under the Portfolio Selection Agreement (in such capacity, together with any successor, the "Portfolio Selection Agent")

ACA Management is registered as an "investment advisor" under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act").

ACA Management is an indirect wholly-owned subsidiary of ACA Capital Holdings, Inc. ("ACA Capital Holdings"). ACA Capital Holdings is a publicly traded company listed on the New York Stock Exchange under the ticker "ACA." Shareholders owning more than 5% of ACA Capital Holdings' outstanding common stock include Bear Stearns Merchant Banking, GCC Investments, Inc., S.F. Holding Corp., Third Avenue Value Fund and Perry Corp. In addition to ACA Management, ACA Capital Holdings' significant subsidiaries include ACA Risk Solutions, L.L.C. ("ACA Risk Solutions"), ACA Management's direct parent corporation, ACA Service, L.L.C. ("ACA Service"), the holding company for the ACA Capital Holdings U.S. structured finance businesses and direct parent corporation of ACA Risk Solutions, and ACA Financial Guaranty Corporation ("ACA Guaranty"), a financial guaranty insurance corporation and the direct parent corporation of ACA Service. Both ACA Risk Solutions and ACA Service are Delaware limited liability corporations and ACA Guaranty is a Maryland stock insurance company. ACA Capital Holdings and its subsidiaries, including ACA Management, are referred to herein as "ACA Capital". The offices of ACA Capital and all of its U.S. domiciled subsidiaries are located at 140 Broadway, 47th Floor, New York, New York 10005.

ACA Service will assist the Portfolio Selection Agent in selecting the Initial Reference Portfolio.

ACA Guaranty has "A" financial strength and financial enhancement ratings from S&P. The SAP rating reflects S&P's current assessment of the creditworthiness of ACA Guaranty and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the SAP's rating may be obtained only from S&P. The SAP rating is not a recommendation to buy, sell or hold any securities, and such rating may be subject to revision or withdrawal at any time by S&P.

THE PORTFOLIO SELECTION AGREEMENT

The following summary describes certain provisions of the Portfolio Selection Agreement. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Portfolio Selection Agreement.

The Portfolio Selection Agent will, pursuant to the Portfolio Selection Agreement, select the Initial Reference Portfolio and have the right to review the calculations of the Credit Default Swap Calculation Agent and the Trustee on any Determination Date.

As compensation for the performance of its obligations as Portfolio Selection Agent under the Portfolio Selection Agreement, the Portfolio Selection Agent will receive a fee (the "Portfolio Selection Fee"). The fee is based on a rate up to 0.05 basis points per annum, with the Priority of Payments in the event of default. The Portfolio Selection Fee will accrue daily from the Closing Date and will be an amount equal to the sum of (a) with respect to each Payment Date, the sum of the quotients determined for each Class of

Confidential Treatment Requested by Goldman Sachs

QS MBS-E-001918124
Footnote Exhibits - Page 4904

Notes on each day of the related Interest Accrual Period of (i) the product of (a) the average daily Aggregate USD Equivalent Outstanding Amount of such Class during the preceding Interest Accrual Period, (b) the Applicable Class Portfolio Selection Fee Rate with respect to such Class of Notes and (c) the actual number of days in the preceding Interest Accrual Period divided by (ii) 360, payable in arrears on each Payment Date and (y) on the Payment Date occurring in April, 2008 and occurring in each successive April to and including the Payment Date immediately following the end of the Non-Call Period, an amount equal to the excess (if any) of (1) $1,000,000 over (2) the aggregate of all Portfolio Selection Fees payable to the Portfolio Selection Agent from and excluding the Payment Date occurring in April of the immediately preceding year (or in the case of the Payment Date occurring in April 2008, from the Closing Date) and the Portfolio Selection Fee that is payable by the Issuer to the Portfolio Selection Agent pursuant to clause (x) on such date.

To the extent not paid on any Payment Date when due, any accrued Portfolio Selection Fee will be deferred and will be payable on the next subsequent Payment Date on which funds are available for the payment thereof in accordance with the Priority of Payments. Any unpaid Portfolio Selection Fee that is deferred due to the operation of the Priority of Payments will not accrue interest.

The Portfolio Selection Agent will be responsible for its own expenses and costs incurred in the course of performing its obligations under the Portfolio Selection Agreement.

The Portfolio Selection Agent will not be liable to the Issuer, the Trustee, the Initial Purchaser, the Noteholders, the Protection Buyer, the Collateral Put Provider, the Basis Swap Counterparty, the Collateral Disposal Agent or any of their respective Affiliates, partners, shareholders, officers, directors, employees, agents, accountants and attorneys for any losses, damages, claims, liabilities, costs or expenses (including attorney’s fees) incurred as a result of the actions taken or recommended by or on behalf of the Portfolio Selection Agent under the Portfolio Selection Agreement, the Credit Default Swap or the Indentures, except by reason of acts constituting bad faith, willful misdeed, gross negligence or reckless disregard of its duties and obligations thereunder.

The Portfolio Selection Agent and any of its Affiliates may engage in other businesses and may furnish investment management and advisory services to related entities whose investment policies may differ from or be similar to those followed by the Portfolio Selection Agent on behalf of the Issuer, as required by the Portfolio Selection Agreement. The Portfolio Selection Agent and its Affiliates will be free, in their sole discretion, to make recommendations to others, or effect transactions on behalf of themselves or others which may be the same as or different from those effected with respect to the Reference Portfolio. In addition, the Portfolio Selection Agent and its Affiliates may, from time to time, cause, direct or recommend that their clients buy or sell securities of the same or different kind or class of the same issuer as securities that are part of the Reference Portfolio and that the Portfolio Selection Agent directs to be included in or removed from the Reference Portfolio. See “Risk Factors—Certain Conflicts of Interest Relating to the Portfolio Selection Agent and its Affiliates.”

Neither the Portfolio Selection Agent nor any of its Affiliates are under any obligation to maintain any investment in the Notes.

ACCOUNTS
Interest Collection Account and Principal Collection Account

Interest Proceeds and interest payments received on the Collateral Securities (which interest payments shall be paid to the Basis Swap Counterparty pursuant to the Basis Swap) shall be deposited into a segregated trust account (within which related subaccounts may be created to deposit such amounts in different Approved Currencies) held in the name of the Issuer for the benefit of the Holders of the Notes (the “Interest Collection Account”). Amounts deposited in the Interest Collection Account will be available, together with reinvestment earnings thereon, for application to the payment of the amounts set forth under “Description of the Notes—Priority of Payments.”

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4905

Principal Proceeds shall be deposited into a segregated trust account (within which related subaccounts may be created to deposit such amounts in different Approved Currencies) designated as the "Principal Collection Account". Amounts deposited in the Principal Collection Account will be invested in Eligible Investments until such Principal Proceeds are (i) reinvested in Collateral Securities (pending such reinvestment, reinvested in Eligible Investments) or (ii) applied in accordance with the Priority of Payments. See "Description of the Notes—Priority of Payments".

Payment Account

On or prior to each Payment Date and on or prior to any other Business Day on which any other payment is required to be made by the Issuer, the Trustee will deposit into a separate account (within which related subaccounts may be created to deposit such amounts in different Approved Currencies) held in the name of the Issuer for the benefit of the Holders of the Notes and designated as the "Payment Account" as set forth in the Indenture, the applicable amount of funds from the Interest Collection Account and/or the Principal Collection Account, as applicable, for payment of amounts described under "Description of the Notes—Priority of Payments".

Closing Date Expense Account

The Trustee will establish and maintain a segregated trust account (the "Closing Date Expense Account") for the payment of Closing Date expenses. On the Closing Date, the Trustee will deposit into the Closing Date Expense Account part of the Upfront Payment, and such amount will be used to pay expenses associated with the Closing Date. Any amount deposited in the Closing Date Expense Account and not required for payment of such expenses shall be transferred by the Trustee at the direction of the Protection Buyer.

Collateral Put Provider Account

If a Credit Support Annex has been entered into by the Collateral Put Provider and the Issuer, Post-Collateralized Collateral pursuant to the terms thereof shall be deposited into a segregated trust account or trust accounts so designated and established pursuant to the Indenture and held there pursuant to the Collateral Put Agreement (such account, the "Collateral Put Provider Account").

CDS Issuer Account

On the Closing Date, the Trustee will establish and maintain a segregated trust account (the "CDS Issuer Account") with respect to the CDS Default Swap, into which all required amounts received by the Trustee from the Protection Buyer shall be deposited by the Trustee (as directed by the Issuer). The Trustee will deposit each Fixed Payment received from the Protection Buyer pursuant to clauses (ii) through (v) of the definition of "Fixed Payment" (i.e. a subaccount of the CDS Issuer Account) on the Closing Date. On each succeeding Payment Date, amounts previously deposited in the CDS Issuer Account will be released by the Trustee and designated as Interest Proceeds. If a Replacement Counterparty enters into a replacement credit default swap and replacement basis swap pursuant to the Replacement Counterparty Procedures, the Trustee will establish a subaccount of the CDS Issuer Account in which amounts to be paid by such Replacement Counterparty shall be deposited.

THE ISSUERS

General

The Issuer was incorporated on March 1, 2007 in the Cayman Islands under the Companies Law (2004 Revision) of the Cayman Islands with the registration number 18303. The registered office of the Issuer is at the offices of Maples Finance Limited, P.O. Box 1031 GT, Queensgate House, South Church

Confidential Treatment Requested by Goldman Sachs

CS MBS-E-001918126
Footnote Exhibits - Page 4906

Street, George Town, Grand Cayman, Cayman Islands. The Issuer was incorporated for the specific purpose of carrying out the transactions described in this Offering Circular, which primarily consists of issuing the Notes, acquiring the Collateral, entering into the Credit Default Swap, the Basis Swap and the Collateral Put Agreement and engaging in certain related transactions, as set forth in Clause 3 of its Memorandum and Articles of Association. Prior to the date hereof, the Issuer has not engaged in any activities other than in connection with the acquisition of certain of the Collateral Securities to be held on the Closing Date.

The Co-Issuer was incorporated on February 27, 2007 in the State of Delaware under the General Corporation Law of the State of Delaware with the registration number 420559. The registered office of the Co-Issuer is at 850 Library Avenue, Suite 204, Newark, Delaware 19711. The Co-Issuer was organized for the specific purpose of carrying out the transactions described in this Offering Circular, which primarily consists of co-issuing the Co-Issued Notes, as set forth in Article Third of its Certificate of Incorporation. The Co-Issuer has no prior operating history.

The Co-Issued Notes are obligations only of the Issuer and not of the Trustee, the Issuing and Paying Agent, the Initial Purchaser, the Portfolio Selection Agent, the Administrator, the Share Trustee or any directors or officers of the Issuer or any of their respective Affiliates. The Issuer Notes are obligations only of the Issuer and not of the Co-Issuer, the Trustee, the Issuing and Paying Agent, the Initial Purchaser, the Portfolio Selection Agent, the Administrator, the Share Trustee or any directors or officers of the Issuer or any of their respective Affiliates.

At the Closing Date, the authorized share capital of the Issuer will consist of 300 ordinary shares, $1.00 par value per share (the "Issuer Ordinary Shares"), all of which shares will be issued prior to the Closing Date. The authorized common stock of the Co-Issuer consists of 1,000 shares of common stock, $0.01 par value (the "Co-Issuer Common Stock"), all of which shares will be issued prior to the Closing Date. All of the outstanding Issuer Ordinary Shares will be held by the Share Trustee under the terms of a declaration of trust, which provides that the shares and other amounts held on trust thereunder shall be divided into three equal parts to be held for the benefit of three mutually exclusive groups of corporations and companies whose objects are exclusively charitable and which provides that the Share Trustee shall not, as shareholder, give directions in relation to the management of the business of the Issuer without the prior written consent of the Trustee. The Co-Issuer Common Stock will be held by the Issuer. For so long as any of the Notes are Outstanding, no beneficial interest in the Issuer Ordinary Shares or the Co-Issuer Common Stock shall be registered to a U.S. Person.

Capitalization of the Issuer

The initial proposed capitalization (including the USD Equivalent of the Notes denominated in Approved Currencies other than Dollars) of the Issuer as of the Closing Date after giving effect to the issuance of the Notes and the Issuer Ordinary Shares (before deducting expenses of the offering) is as set forth below.
Footnote Exhibits - Page 4907

Amount
- Class SS Notes: $0
- Class A-1 Notes: $50,000,000
- Class A-2 Notes: $142,000,000
- Class B Notes: $0
- Class C Notes: $0
- Class D Notes: $0
- Class FL Notes: $0

Total Debt: $192,000,000
Issuer Ordinary Shares: $300
Total Equity: $300
Total Capitalization: $192,000,000

Capitalization of the Co-Issuer

The Co-Issuer will be capitalized only to the extent of common equity of $10, will have no assets other than its equity capital and will have no debt other than as Co-Issuer of the Co-Issued Notes.

The Co-Issuer has agreed to co-issue the Co-Issued Notes as an accommodation to the Issuer and the Co-Issuer is receiving no remuneration for such action. Because the Co-Issuer has no assets and is not permitted to have any assets, Noteholders will not be able to exercise their rights with respect to the Notes against any assets of the Co-Issuer. Noteholders must rely on the Issuer Assets held by the Issuer and pledged to the Trustee for the benefit of the Noteholders (and certain other providers) for payment on their respective Notes, in accordance with the Priority of Payments.

Business

The Issuers will not undertake any business other than the issuance of the Co-Issued Notes and, in the case of the Issuer, the issuance of the Issuer Notes and the Issuer Ordinary Shares, the acquisition of the Collateral and entering into the Credit Default Swap, the Portfolio Selection Agreement, the Basis Swap and the Collateral Put Agreement and, in each case, other related transactions. The Issuer will not have any subsidiaries other than the Co-Issuer. The Co-Issuer will not have any subsidiaries.

In addition, pursuant to the terms of the Collateral Administration Agreement, the Issuer will retain the Collateral Administrator to compile certain reports with respect to the Issuer Assets. The compensation paid by the Issuer for such services will be in addition to the fees paid to LeSelle Bank National Association in its capacity as Trustee, and will be treated as an expense of the Issuer and will be subject to the Priority of Payments.

The Administrator will act as the administrator of the Issuer. The office of the Administrator will serve as the general business office of the Issuer. Through this office and pursuant to the terms of an agreement, dated April 25, 2007, between the Administrator and the Issuer relating to the administration of the Issuer in the Cayman Islands, and as amended from time to time in accordance with the terms thereof (the "Administration Agreement"), the Administrator will perform various management functions on behalf of the Issuer, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until the termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The directors of the Issuer listed below are also officers and/or employees of the Administrator.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918128
Footnote Exhibits - Page 4908

The Administrator will be subject to the overview of the Issuer's Board of Directors. The Administration Agreement may be terminated by either the Issuer or the Administrator upon three months' written notice.

The Administrator's principal office is: P.O. Box 1053 GT, Queensgate House, South Church Street, Grand Cayman, Cayman Islands.

Directors

The Directors of the Issuer are Wendy Eberns and Carrie Bunten.
The Director of the Co-Issuer is Donald Puglisi.

INCOME TAX CONSIDERATIONS

General

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Note.

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Notes would be characterized by any relevant taxing authority. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retroactive effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes.

Cayman Islands Tax Considerations

The following discussion of certain Cayman Islands income tax consequences of an investment in the Notes is based on the advice of Maples and Calder as to Cayman Islands law. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It assumes that the Issuer will conduct its affairs in accordance with assumptions made by, and representations made to, counsel. It is not intended as tax advice, does not consider any investors particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

The following is a general summary of Cayman Islands taxation in relation to the Notes.

Under existing Cayman Islands laws:

(i) payments of principal and interest in respect of, or distributions on, the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any Holder of a Note and gains derived from the sale of Notes will not be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax; and
(ii) no stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands.

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for and obtained an undertaking from the Governor in Cabinet of the Cayman Islands substantially in the following form:
In accordance with Section 6 of the Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with:

ABACUS 2007-AC1, Ltd. ("the Company")

(a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

(i) on or in respect of the shares, debentures or other obligations of the Company; or

(ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of THIRTY years from the 13th day of March 2007.

GOVERNOR IN CABINET

The Cayman Islands does not have an income tax treaty arrangement with the United States or any other country. The Cayman Islands has entered into an information exchange agreement with the United States.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN TAX IMPLICATIONS OF AN INVESTMENT IN THE NOTES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS PRIOR TO INVESTING TO DETERMINE THE TAX IMPLICATIONS OF SUCH INVESTMENT IN LIGHT OF EACH INVESTOR'S PARTICULAR CIRCUMSTANCES.

United States Federal Income Taxation

General

The following summary describes the principal U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes to investors that acquire the Notes at original issuance for an amount equal to the "Issue Price" of the relevant Class of Notes (for purposes of this section, with respect to each such Class of Notes, the first price at which a substantial amount of Notes of such Class are sold to the public (excluding bond houses, brokers, underwriters, placement agents, and wholesalers) is referred to herein as the "Issue Price"). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular investor's decision to purchase the Notes. In addition, this summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the United States federal income tax laws. In general, the summary assumes that a holder holds a Note as a capital asset and not as part of a hedge, straddle, or conversion transaction, within the meaning of Section 1228 of the Code.

The advice below was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. The

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918130
advice is written to support the promotion or marketing of the transaction. Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

The foregoing disclaimer is provided to satisfy obligations under Circular 230 governing standards of practice before the Internal Revenue Service.

This summary is based on the U.S. tax laws, regulations (final, temporary and proposed), administrative rulings and practice and judicial decisions in effect or available on the date of this Offering Circular. All of the foregoing are subject to change or differing interpretation at any time, which change or interpretation may apply retroactively and could affect the continued validity of this summary.

This summary is included herein for general information only, and there can be no assurance that the U.S. Internal Revenue Service (the “IRS”) will take a similar view of the U.S. federal income tax consequences of an investment in the Notes as described herein. ACCORDINGLY, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, AND THE POSSIBLE APPLICATION OF STATE, LOCAL, FOREIGN OR OTHER TAX LAWS. IN PARTICULAR, NO REPRESENTATION IS MADE AS TO THE MANNER IN WHICH PAYMENTS UNDER THE NOTES WOULD BE CHARACTERIZED BY ANY RELEVANT TAXING AUTHORITY.

As used in this section, the term "U.S. Holder" includes a beneficial owner of a Note that is, for U.S. federal income tax purposes, a citizen or individual resident of the United States of America, an entity treated for United States federal income tax purposes as a corporation or a partnership created or organized in or under the laws of the United States of America or any state thereof or the District of Columbia, an estate the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source, or a trust if, in general, a court within the United States of America is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of such trust, and certain eligible trusts that have elected to be treated as United States persons. This summary assumes that a U.S. Holder has a U.S. Dollar functional currency and the Issuer has a non-U.S. Dollar functional currency. This summary also does not address the rules applicable to certain types of investors that are subject to special U.S. federal income tax rules, including but not limited to, dealers in securities or currencies, traders in securities, financial institutions, U.S. exploiters, tax-exempt entities, charitable remainder trusts and their beneficiaries, insurance companies, persons or their qualified business units ("QBUS") whose functional currency is not the U.S. Dollar, persons that own (directly or indirectly) equity interests in holders of Notes and subsequent purchasers of the Notes.

For U.S. federal income tax purposes, the Issuer, and not the Co-Issuer, will be treated as the issuer of the Co-Issued Notes.

Tax Treatment of the Issuer

The Code and the Treasury regulations promulgated thereunder provide a specific exemption from net income-based U.S. federal income tax to non-U.S. corporations that restrict their activities in the United States to trading in stocks and securities (and any other activity closely related thereto) for their own account, whether such trading (or such other activity) is conducted by the corporation or its employees or through a resident broker, commission agent, custodian or other agent. This particular exemption does not apply to non-U.S. corporations that are engaged in activities in the United States other than trading in stocks and securities (and any other activity closely related thereto) for their own account or that are dealers in stocks and securities.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918131
The issuer intends to rely upon the above exception and does not intend to operate so as to be subject to U.S. federal income taxes on its net income. In this regard, the Cashing Date, the Issuer will receive an opinion from McKee Nelson LLP, special U.S. tax counsel to the Issuer and the Co-Issuer ("Special U.S. Tax Counsel") to the effect that, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, administrative ruling or judicial decision, under current law and assuming compliance with the Issuer's relevant governing documents, the indenture, the Issuing and Paying Agency Agreement, the Portfolio Selection Agreement and other related documents (the "Documents"), the Issuer's permitted activities will not cause it to be engaged in a trade or business in the United States, and consequently, the Issuer's profits will not be subject to U.S. federal income tax on a net income basis. The opinion of Special U.S. Tax Counsel will be based on the Code, the Treasury regulations (final, temporary and proposed) thereunder, the existing authorities, and Special U.S. Tax Counsel's interpretation thereof and judgment concerning their application to the Issuer's permitted activities, and on certain factual assumptions and representations as to the Issuer's permitted activities. The Issuer intends to conduct its affairs in accordance with the Documents and such assumptions and representations, and the remainder of this summary assumes such result. In addition, in complying with the Documents and such assumptions and representations, the Issuer is entitled to rely upon the advice and/or opinions of their selected counsel, and the opinion of Special U.S. Tax Counsel will assume that any such advice and/or opinions are correct and complete. However, the opinion of Special U.S. Tax Counsel and any such other advice or opinions are not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer is not entirely free from doubt, and there can be no assurance that positions contrary to those stated in the opinion of Special U.S. Tax Counsel or any such other advice or opinions may not be asserted successfully by the IRS.

If, notwithstanding the Issuer's intention and the aforementioned opinion of Special U.S. Tax Counsel or any such other advice or opinions, it were nonetheless determined that the Issuer were engaged in a United States trade or business and the Issuer had taxable income that was effectively connected with such U.S. trade or business, the Issuer would be subject under the Code to the regular U.S. corporate income tax on such effectively connected taxable income (and possibly to the 30% branch profits tax as well). The imposition of such taxes would materially affect the Issuer's financial ability to make payments with respect to the Notes and could materially affect the yield of the Notes. In addition, the imposition of such taxes could constitute an Advance Tax Event.

Legislation recently proposed in the U.S. Senate would, for tax years beginning at least two years after the enactment, tax a corporation as a U.S. corporation if the equity of that corporation is regularly traded on an established securities market and the management and control of the corporation occurs primarily within the United States. It is unknown whether this proposal will be enacted in its current form and, whether enacted, the Issuer would be subject to its provisions. However, upon enactment of this or similar legislation, the Issuer will be permitted, with an opinion of counsel, to take such action as it deems advisable to prevent the Issuer from being subject to such legislation. These actions could include removing some classes of Notes from listing on a stock exchange.

Generally, foreign currency gains are sourced to the residence of the recipient. Thus, foreign currency gains of a non-U.S. corporation are generally treated as foreign source income. However, if for this purpose a non-United States corporation has a principal place of business in the United States (the "U.S. business"), even if the corporation has another principal place of business outside the United States, generally any foreign currency gain properly reflected as income of the U.S. business is treated as U.S. source income. Any U.S. source foreign currency gains that are not derived from the sale of property are subject to U.S. withholding tax. A non-U.S. corporation could be considered to have a U.S. business for this purpose even if it does not have any income effectively connected to a United States trade or business for purposes of being subject to U.S. taxation on its net income. The Issuer intends to take the position that none of its foreign currency gains will be subject to U.S. withholding tax. However, the application of these rules is unclear and the activities of the Issuer could cause it to have foreign

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001919132
currency gains subject to U.S. withholding tax. In addition, the imposition of such taxes could constitute an Adverse Tax Event.

United States Withholding Taxes. Although, based on the foregoing, the Issuer is not expected to be subject to U.S. federal income tax on net income basis, income derived by the Issuer may be subject to withholding taxes imposed by the United States or other countries. Generally, U.S. source interest income received by a foreign corporation not engaged in a trade or business within the United States is subject to U.S. withholding tax at the rate of 30% of the amount thereof. The Code provides an exemption (the “portfolio interest exemption”) from such withholding tax for interest paid with respect to certain debt obligations issued after July 15, 1984, unless the interest constitutes a certain type of contingent interest or is paid to a 10% shareholder of the payor, to a controlled foreign corporation related to the payor, or to a bank with respect to a loan entered into in the ordinary course of its business. In this regard, the Issuer is permitted to acquire a particular Collateral Security only if the payments thereon are exempt from U.S. withholding taxes at the time of purchase or commitment to purchase or the obligation is required to make “gross-up” payments that offset fully any such tax on any such payments. The Issuer does not anticipate that it will derive material amounts of any other items of income that would be subject to U.S. withholding taxes. Accordingly, assuming compliance with the foregoing restrictions and subject to the foregoing qualifications, interest income derived by the Issuer will be free of or fully “grossed up” for any material amount of U.S. withholding tax. For the Credit Default Swap, payments under the Credit Default Swap do not constitute interest for purposes of U.S. withholding taxes. The Issuer intends to treat the Credit Default Swap as either a “notional principal contract” or an option for U.S. Federal Income tax purposes. Generally, payments made pursuant to a notional principal contract or an option are not subject to U.S. withholding. However, the IRS may seek to characterize the Credit Default Swap in a manner that would make payment under it subject to U.S. withholding. Furthermore, there can be no assurance that income derived by the Issuer will not generally become subject to U.S. withholding tax as a result of a change in U.S. tax law or administrative practice, procedure, or interpretations thereof. Any change in U.S. tax law or administrative practice, procedure, or interpretations thereof resulting in the income of the Issuer becoming subject to U.S. withholding taxes could constitute an Adverse Tax Event. It is also anticipated that the Issuer will acquire Collateral Securities that consist of obligations of non-U.S. issuers. In this regard, the Issuer may only acquire a particular Collateral Security if either the payments thereon are not subject to foreign withholding tax or the obligor of the Collateral Security is required to make “gross-up” payments.

Prospective investors should be aware that, under certain Treasury Regulations, the IRS may disregard the participation of an intermediary in a “condol” financing arrangement and the conclusions reached in the immediately preceding paragraph assume that such Treasury Regulations do not apply. Those Treasury Regulations could require withholding of U.S. federal income tax from payments to the Issuer. In order to prevent “condol” classification, each Non-U.S. Holder and beneficial owner of an Issuer Note that is acquiring, directly or in conjunction with affiliates, more than 33 1/3% of the Aggregate USD Equivalent Outstanding Amount of any such Class of Issuer Notes, as applicable, will be deemed to make a representation to the effect that it is not an Affected Bank. “Affected Bank” means a “bank” for purposes of Section 881 of the Code or an entity affiliated with such a bank that neither (A) meets the definition of a U.S. Holder nor (B) is entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0%.

Tax Treatment of U.S. Holders of the Co-Issued Notes

Treatment of the Co-Issued Notes. Although there is no authority directly on point, and as a result, the opinion cannot be free from doubt, in the opinion of Special U.S. Tax Counsel, the Co-Issued Notes will be treated as debt for U.S. federal income tax purposes when issued. Although the Issuer Notes are denominated as debt, based on the capital structure of the Issuer and the characteristics of the Issuer Notes, it is unlikely that all the Issuer Notes, when issued, would be treated as debt of the Issuer for U.S. federal income tax purposes. However, it is possible that the IRS could assert that the Notes

Confidential Treatment Requested by Goldman Sachs

QS MBS-E-001918133
should be treated as the issuance of credit-linked debt by the Protection Buyer. The Holder of such Notes would have accrued income under the contingent debt rules which could affect the timing of such income. Any gain and certain losses from the sale of such Notes would result in ordinary income or loss because such Notes would be treated as contingent debt. This summary assumes that the treatment of the Co-Issued Notes as debt and the issuer Notes as equity of the Issuer for U.S. federal income tax purposes is correct. The Issuer Notes are discussed below under "—Tax Treatment of U.S. Holders of Issuer Notes." Further, the Issuer will treat, and each holder and beneficial owner of Co-Issued Notes (by acquiring such Notes or an interest in such Notes) will agree to treat, the Co-Issued Notes as debt for U.S. federal income tax purposes except (x) as otherwise required by applicable law, (y) to the extent a Holder of such Co-Issued Notes makes a protective QEF election (as described below under "—Tax Treatment of U.S. Holders of Issuer Notes—Investment in a Passive Foreign Investment Company") or (z) to the extent that the Holder files certain United States tax information returns required of only certain equity owners with respect to various reporting requirements under the Code (as described below under "—Transfer Reporting Requirements" and "—Tax Return Disclosure and Investor List Requirements"). The determination of whether a Co-Issued Note will be treated as debt for United States federal income tax purposes is based on the applicable law and facts and circumstances existing at the time such Note is issued. Material changes from those existing on the Closing Date (e.g., a material decline in the value of the Issuer's assets and/or a material change in the likelihood a Note will be repaid in full) may adversely affect the characterization of any Co-Issued Notes issued after (but not before) such changes. However, the opinion of Special U.S. Tax Counsel is based on current law and certain representations and assumptions (including the assumption that any subsequent opinion with respect to the tax characterization of the Co-Issued Notes is correct) and is not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Notes. Accordingly, there can be no assurance that the IRS will not contend, and that a court will not ultimately hold, that one or more Classes of the Co-Issued Notes are properly treated as equity in the Issuer for U.S. federal income tax purposes. Recharacterization of a Class of Notes, particularly the Class C Notes, because of their place in the capital structure, may be more likely if a single investor or a group of investors that holds all of the Issuer Notes also holds all of the more senior Class of Notes in the same proportion as the Issuer Notes are held. If any Class of the Co-Issued Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, U.S. Holders of such Class would be subject to taxation under rules substantially the same as those set forth below under "—Tax Treatment of U.S. Holders of Issuer Notes" which could cause adverse tax consequences for such U.S. Holders upon the sale, exchange, redemption, retirement or other taxable disposition of, or the receipt of certain types of distributions on, such Notes.

In this regard, any U.S. Holder of a Co-Issued Note that treats such Note as equity in the Issuer for U.S. federal income tax purposes, inconsistently with the Issuer's treatment of such Notes for such purposes, is required to disclose such treatment on its U.S. federal income tax return. Additionally, if a U.S. Holder of a Co-Issued Note treats such Note as debt of the Issuer for U.S. federal income tax purposes, consistently with the Issuer's treatment of such Note for such purposes, it is unclear whether such S. Holder will be able to make a protective QEF election (described below under "—Tax Treatment of U.S. Holders of Issuer Notes—Investment in a Passive Foreign Investment Company") in anticipation of any possible recharacterization of such Note as equity in the Issuer.

Interest or Discount on the Co-Issued Notes. The Co-Issued Notes may be subject to the rules applicable to contingent payment debt instruments because the timing of their principal repayment is contingent on the principal payments of the Reference Obligations rather than obligations held by the Issuer. If these Notes are not treated as contingent payment debt obligations and subject to the discussion below, U.S. Holders of these Notes generally should include in gross income payments of stated interest received, in accordance with their usual method of accounting for U.S. federal income tax purposes, as ordinary interest income from sources outside the United States.

If the issue price of the Co-Issued Notes is less than such Note's respective "stated redemption price at maturity" by more than a de minimis amount, U.S. Holders will be considered to have purchased

Confidential Treatment Requested by Goldman Sachs

GS MS5-E-001918134
such Notes with original issue discount ("OID"). The respective stated redemption price at maturity of the Co-Issued Notes will be the sum of all payments to be received on such Notes, other than payments of stated interest which is unconditionally payable in money at least annually during the entire term of a debt instrument ("Qualified Stated Interest"). Interest can be considered unconditionally payable if nonpayment is sufficiently remote under the terms of the obligations or reasonable legal remedies exist to compel timely payment. Prospective U.S. Holders of the Co-Issued Notes should note that if any interest is not unconditionally payable in money on each Payment Date (and, therefore, not Qualified Stated Interest), all of the stated interest payments may be included in the stated redemption prices at maturity, and required to be accrued by U.S. Holders pursuant to the rules described below.

A U.S. Holder of a Co-Issued Note issued with OID will be required to accrue and include in gross income the sum of the daily portions of total OID for each day during the taxable year on which the U.S. Holder holds the Co-Issued Note, generally under a constant yield method, regardless of such U.S. Holder’s usual method of accounting for U.S. Federal income tax purposes. In addition, if a Co-Issued Note is not treated as issued with OID a U.S. Holder should include any de minimis OID in gross income proportionately as stated principal payments are received. Such de minimis OID should be treated as gain from the sale or exchange of property and may be eligible as capital gain if the Co-Issued Note is a capital asset in the hands of the U.S. Holder.

Because the Co-Issued Notes provide for a floating rate of interest, the amount of OID to be accrued over the term of each Co-Issued Note will be based initially on the assumption that the floating rate in effect for the first Interest Accrual Period will remain constant throughout the term. To the extent such rate varies with respect to any Interest Accrual Period, such variation will be reflected in an increase or decrease of the amount of OID accrued for such period. Under the foregoing method, if stated interest on a class of Co-Issued Notes is required to be accrued under the OID rules, U.S. Holders may be required to include in gross income increasingly greater amounts of OID and may be required to include OID in advance of the receipt of cash attributable to such income.

Unless the contingent payment obligation rules apply each Class of Co-Issued Notes issued with more than de minimis OID may be subject to rules requiring the use of an assumption as to the prepayments, as discussed below under “—OID on the Co-Issued Notes.” A prepayment assumption applies to debt instruments if payment under such debt instruments may be accelerated by reason of prepayments of other obligations securing such debt instruments. Application of a prepayment assumption is uncertain because prepayments on the Co-Issued Notes are generally dependent on prepayments on the Reference Portfolio rather than the Collateral Securities.

OID on the Co-Issued Notes. The Treasury regulations governing the calculation of OID on instruments having contingent interest payments specifically do not apply for purposes of calculating OID on debt instruments required to use a prepayment assumption. The Issuer intends to base its computations on a prepayment assumption for the Reference Portfolio, although, as noted above, it is uncertain whether such assumption is required or permitted. In addition, no regulatory guidance currently exists under the Code for prepayment assumptions. Accordingly, there can be no assurance that this methodology represents the correct manner of calculating OID. If the IRS were to successfully contend that another method of accruing OID with respect to the Co-Issued Notes is appropriate, the U.S. Federal income tax consequences to a U.S. Holder of the Co-Issued Notes could be adverse or more favorable.

If the Co-Issued Notes are deemed to be contingent debt obligations, then U.S. Treasury regulations may apply to the Co-Issued Notes that would apply the non-contingent bond method to non-U.S. Dollar denominated debt instruments that provide for certain contingent payments.

A subsequent purchaser of a Co-Issued Note issued with OID who purchases that Note at a cost less than the remaining stated redemption price at maturity will also be required to include in gross income the sum of the daily portions of OID on the Co-Issued Note. In computing the daily portions of OID for a subsequent purchaser of a Co-Issued Note (as well as an initial purchaser that purchases at a price higher than the adjusted Issue Price, but less than the stated redemption price at maturity),
Footnote Exhibits - Page 4915

however, the daily portion is reduced by the amount that would be the daily portion for the day (computed in accordance with the rules set forth above) multiplied by a fraction, the numerator of which is the amount, if any, by which the price paid by the U.S. Holder for the Co-Issued Note exceeds the difference between (a) the sum of the Issue Price plus the aggregate amount of OID that would have been able to be included in the gross income of an original U.S. Holder who purchased the Co-Issued Note at the Issue Price and (b) any prior payments included in the stated redemption price at maturity, and the denominator of which is the sum of the daily portions for the Co-Issued Note for all days beginning on the date after the purchase date and ending on the maturity date computed under the prepayment assumption.

A U.S. Holder who pays a premium for a Co-Issued Note (i.e., purchases the Co-Issued Note for an amount greater the stated redemption price at maturity) may elect to amortize such premium under a constant yield method over the life of the Co-Issued Note. The amortizable amount for any Interest Accrual Period would offset the amount of interest that must be included in the gross income of a U.S. Holder in such Interest Accrual Period. The U.S. Holder's basis in the Co-Issued Note would be reduced by the amount of amortization. It is not clear whether the prepayment assumption would be taken into account in determining the life of the for the timing of the amortization of such premium for this purpose.

If a U.S. Holder acquires a Co-Issued Note at a discount to the adjusted issue price of the Co-Issued Note that is greater than a specified minimum amount, such discount is treated as market discount. Absent an election to accrue into income currently, the amount of accrued market discount on a Co-Issued Note is included in income as ordinary income when principal payments are received or the U.S. Holder disposes of the Co-Issued Note. Market discount is accrued ratably unless the U.S. Holder elects to use a constant yield method for accrual. For this purpose, the term "ratably" may be based on the terms of the Co-Issued Note or a U.S. Holder may be permitted to accrue market discount in proportion to interest on Co-Issued Notes issued without OID or in proportion to OID on Co-Issued Notes issued with OID.

As a result of the complexity of the OID rules, each U.S. Holder of any Co-Issued Notes should consult its own tax advisor regarding the impact of the OID rules on its investment in such Notes.

Electio to Treat All Interest as OID. The OID rules permit a U.S. Holder of a Co-Issued Note to elect to accrue all interest, discount (including de minimis market or original issue discount) and premium in income as interest, based on a constant yield method. If an election to treat all interest as OID were to be made with respect to a Co-Issued Note with market discount, the U.S. Holder of such Note making such election would be deemed to have made an election to include in income currently market discount with respect to all other debt instruments having market discount that such U.S. Holder acquires during the year of the election or thereafter. Similarly, a U.S. Holder that makes this election for a Note that is accrued at a premium will be deemed to have made an election to amortize bond premium that such U.S. Holder owns or acquires. The election to accrue interest, discount and premium on a constant yield method with respect to a Co-Issued Note cannot be revoked without the consent of the IRS.

Disposition of the Co-Issued Notes. In general, a U.S. Holder of a Co-Issued Note initially will have a basis in such Note equal to the cost of such Note to such U.S. Holder. (i) increased by any amount includable in income by such U.S. Holder on OID with respect to such Note, and (ii) reduced by any amortized premium and by payments on the Co-Issued Note, other than payments of stated interest on the Co-Issued Note. Upon a sale, exchange, redemption, retirement or other taxable disposition of a Co-Issued Note, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange, redemption, retirement or other taxable disposition (other than amounts attributable to accrued interest on a Co-Issued Note, which will be taxable as described above) and the U.S. Holder's tax basis in such Note. Except to the extent of accrued interest or market discount not previously included in income, or unless the rules applicable to contingent payment debt obligations apply, gain or loss from the disposition of a Co-Issued Note generally will be long-term capital gain or loss if the U.S. Holder held the Co-Issued Note for more than one year at the time of disposition, provided that

Confidential Treatment Requested by Goldman Sachs
the Co-Issued Note is held as a "capital asset" (generally, property held for investment) within the meaning of Section 1221 of the Code, except to the extent of accrued market discount not previously included in income.

However, if the IRS or a court determines that any Class of the Co-Issued Notes constitute contingent payment debt obligations subject to the non-contingent bond method, then a U.S. Holder generally will have a basis in such Co-Issued Note equal to the cost of such Co-Issued Note to such U.S. Holder (increased by OID accrued with respect to the Co-Issued Notes (determined without regard to adjustments made to reflect the differences between actual and projected payments) and (ii) reduced by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Co-Issued Notes. Any gain recognized on the sale, exchange, redemption, retirement or other taxable disposition of the Co-Issued Note will be treated as ordinary income. Further, in such a case, any loss will be treated as ordinary loss to the extent of prior interest inclusions with respect to the Co-Issued Notes, reduced by the total net negative adjustments that the U.S. Holder has taken into account as ordinary loss with respect to the Co-Issued Notes; any remaining loss will be a capital loss.

In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Any gain recognized by a U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of a Co-Issued Note generally will be treated as from sources within the United States assuming that such Co-Issued Note is not held by a U.S. Holder through a non-U.S. branch.

Alternative Characterization of the Co-Issued Notes. Notwithstanding special U.S. tax laws governing the treatment of certain types of debt instruments, U.S. Holders should recognize that there is some uncertainty regarding the appropriate classification of instruments such as the Co-Issued Notes. It is possible, for example, that the IRS may contend that a Class of Co-Issued Notes should be treated as equity interests (or as part debt, part equity) in the Issuer. Such a recharacterization might result in material adverse U.S. federal income tax consequences to U.S. Holders. If U.S. Holders of a Class of the Co-Issued Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to U.S. Holders of such recharacterized Co-Issued Notes would be as described under "—Tax Treatment of U.S. Holders of Issuer Notes", "—Transfer Reporting Requirements" and "—Tax Return Disclosure and Investor List Requirements". In order to avoid the application of the FIRC rules, each U.S. Holder of a Note should consider making a qualified election for the Co-Issued Notes on a "protective" basis (although such protective election may not be respected by the IRS because current regulations do not specifically authorize such protective election). See "Tax Treatment of U.S. Holders of Issuer Notes—Investment in a Passive Foreign Investment Company". Further, U.S. Holders of any Class of the Co-Issued Notes that may be recharacterized as equity in the Issuer should consult with their own tax advisors with respect to whether, if they owned equity in the Issuer, they would be required to file information returns in accordance with sections 6038, 6038B, and 6046 of the Code (and, if so, whether they should file such returns on a protective basis).

Payments of Interest and OID in Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen. A U.S. Holder with a U.S. Dollar functional currency that uses the cash method of accounting for U.S. federal income tax purposes and receives a payment of interest on a Co-Issued Note (other than OID) denominated in Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, will be required to include in gross income the U.S. Dollar value of the payment in U.S. Dollars or, as applicable, in the applicable currency to the extent such payment is received (based on the U.S. Dollar spot rate for the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on the date such payment is received) regardless of whether the payment is in fact converted to U.S. Dollars at that time. No exchange gain or loss will be recognized with respect to the receipt of such payment.

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-001918137
A U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes, or that otherwise is required to accrue interest prior to receipt, will be required to include in gross income the U.S. Dollar value of the amount of interest income that has accrued and is otherwise required to be taken into account with respect to a Co-Issued Note during an accrual period. The U.S. Dollar value of such accrued interest income will be determined by translating such interest income at the average U.S. Dollar exchange rate for the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, in effect during the accrual period or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year. A U.S. Holder may elect, however, to translate such accrued interest income using the U.S. Dollar spot rate for the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, on the last day of the taxable year. If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. Holder may translate such interest using the U.S. Dollar spot rate on the date of receipt. The above election must be applied consistently to all debt instruments from year to year and may not be changed without the consent of the IRS. Prior to making such an election, a U.S. Holder should consult its own tax advisor.

A U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes may recognize exchange gain or loss with respect to accrued interest income on the date the payment of such income is received. The amount of any such exchange gain or loss recognized will equal the difference, if any, between the U.S. Dollar value of the payment in the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, received (based on the U.S. Dollar spot rate for the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on the date such payment is received) with respect to such accrued interest and the U.S. Dollar value of the income inclusion with respect to such accrued interest (computed as determined above). Any such exchange gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income, and will generally be treated as U.S. source income or loss, respectively.

The Issuer intends to take the position that OID for any accrual period on a Co-Issued Note will be determined in Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, and then translated into U.S. Dollars in the same manner as stated interest accrued on an accrual basis U.S. Holder, as described above. As described above, however, the treatment of Co-Issued Notes issued with OID is subject to uncertainty, and it is possible that different rules would apply. Applying this method, all payments on a Co-Issued Note (other than payments of Qualified Stated Interest) will generally be viewed first as payments of previously-accrued OID (to the extent thereof), with payments attributed last to the earliest-accrued OID, and then as payments of principal. Upon receipt of a payment attributable to OID (whether in connection with a payment of interest or on the sale, exchange, redemption, retirement or other taxable disposition of a Co-Issued Note), a U.S. Holder may recognize exchange gain or loss as described above with respect to accrued interest income. Any such exchange gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income, and will generally be treated as U.S. source income or loss, respectively.

Receipt of Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen. Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, received as payment on a Co-Issued Note or on a sale, exchange, redemption, retirement or other taxable disposition of a Co-Issued Note will have a tax basis equal to its U.S. Dollar value at the time such payment is received or at the time of such sale, exchange, redemption, retirement or other taxable disposition, as the case may be. Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, that are purchased will generally have a tax basis equal to the U.S. Dollar value of the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on the date of purchase. Any exchange gain or loss recognized on a sale, exchange, redemption, retirement or other taxable disposition of the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen (including their use to purchase Co-Issued Notes or upon exchange

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918138
Footnote Exhibits - Page 4918

for U.S. Dollars, as applicable, will be ordinary income or loss and will generally be treated as U.S. source income or loss, respectively.

Foreign Currency Gain or Loss on Purchase or Disposition. A U.S. Holder that purchases the Co-Issued Notes with Euros, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, generally will recognize exchange gain or loss in an amount equal to the difference (if any) between the U.S. Dollar fair market value of the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, used to purchase the Co-Issued Notes determined at the spot rate of exchange in effect on the date of purchase of the Co-Issued Notes and such U.S. Holder's tax basis in the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable. If a U.S. Holder receives Euros, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on a sale, exchange, redemption, retirement or other taxable disposition of a Co-Issued Note, the amount realized will be based on the U.S. Dollar value of the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on the date the payment is received or the date of disposition of the Co-Issued Note. Any gain or loss realized upon the sale, exchange, redemption, retirement or other taxable disposition of a Co-Issued Note that is attributable to fluctuations in currency exchange rates will be exchange gain or loss. Any gain or any loss attributable to fluctuations in currency exchange rates will equal the difference between the U.S. Dollar value of the principal amount of the Co-Issued Note, determined on the date such payment is received or such Co-Issued Note is disposed based on the U.S. Dollar spot rate for the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on such date and the U.S. Dollar value of principal amount of such Co-Issued Note, determined on the date the U.S. Holder acquired such Co-Issued Note based on the U.S. Dollar spot rate for the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on such date. Such exchange gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of such Co-Issued Note. Any exchange gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income, and will generally be treated as U.S. source income or loss, respectively.

As a result of the uncertainty regarding the U.S. federal income tax consequences to U.S. Holders with respect to the Co-Issued Notes and the complexity of the foregoing rules, each U.S. Holder of a Co-Issued Note is urged to consult its own tax advisor regarding the U.S. federal income tax consequences to the Holder of the purchase, ownership and disposition of such Co-Issued Note.

Tax Treatment of U.S. Holders of Issuer Notes

Investment in a Passive Foreign Investment Company. The Issuer will constitute a passive foreign investment company ("PFIC") for U.S. Holders of Issuer Notes (other than certain U.S. Holders that are subject to the rules pertaining to a controlled foreign corporation with respect to the Issuer, described below) in a PFIC. In general, a U.S. Holder of a PFIC may desire to make an election to treat the Issuer as a qualified electing fund ("QEF") with respect to such U.S. Holder. Generally, a QEF election should be made with the filing of a U.S. Holders federal income tax return for the first taxable year for which it holds the Issuer Notes. If a timely QEF election is made for the Issuer, an electing U.S. Holder will be required to include in gross income (i) ordinary income (ii) any capital gain, (iii) the holder's pro rata share of the Issuer's ordinary earnings and (iv) long-term capital gain, (v) the holder's pro rata share of the Issuer's net capital gain, whether or not distributed and (vi) U.S. Dollars using the average U.S. Dollar exchange rate for the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, for the Issuer's taxable year. For purposes of calculating the income of the Issuer, the deduction for interest paid to certain related parties may be deferred and ultimately denied. Related parties generally include a person owning more than 50% of the aggregate value of all Classes of Notes treated as equity of the Issuer (with special rules for partnerships and any real estate investment trust that treats the Issuer as a

Confidential Treatment Requested by Goldman Sachs QS MSS-E-00198139
Footnote Exhibits - Page 4919

848

taxable REIT subsidiary. A U.S. Holder will not be eligible for the dividends received deduction with respect to such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to such U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. An amount included in an eligible U.S. Holder's gross income should be treated as income from sources outside the United States for U.S. foreign tax credit limitation purposes. However, if U.S. Holders collectively own (directly or constructively) 95% or more (measured by vote or value) of the Issuer Notes, such amount will be treated as income from sources within the United States for such purposes to the extent that such amount is attributable to income of the Issuer from sources within the United States. If applicable to a U.S. Holder of Issuer Notes, the rules pertaining to a controlled foreign corporation, discussed below, generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. shareholders may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income subject to an interest charge on the deferred amount. As a result, the issuer may have in any given year substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Issuer Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

Moreover, there is no direct authority dealing with the tax treatment of financial instruments like the Credit Default Swap. The Issuer intends to treat the Credit Default Swap as a "total return swap" for U.S. federal income tax purposes. In which case, the Issuer's earnings for any period would be determined by taking into account the Credit Default Swap payments to the Issuer attributable to that period. In a statement in its preamble to recently proposed guidance regarding the tax accounting for contingent nonperiodic payments under notional principal contracts, the U.S. Department of Treasury indicated that certain persons, such as the Issuer, would be required under current law to take such payments into account for income tax purposes over the life of the contract under a reasonable amortization method. Although the application of this rule to the Credit Default Swap is not entirely clear, the income of the Issuer may be determined by taking into account an adjustment for any such contingent payments which the Issuer may be required to make under the Credit Default Swap. It is possible, however, that a Credit Default Swap could be characterized for tax purposes as an option written by the Issuer. Because payments received for writing an option are generally taken into account only upon the termination of the transaction, characterizing the Credit Default Swap as an option may considerably increase the Issuer's interest income, as determined for U.S. federal income tax purposes, into one or more taxable periods, which may result in the recognition of income in excess of any cash distributed on the Issuer Notes by the Issuer. U.S. Holders of the Issuer Notes should consult their tax advisors regarding the U.S. federal income tax consequences of holding any of the Issuer Notes.

The Issuer will provide, upon request, all information and documentation that a U.S. Holder making a QEF election is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Issuer Notes (other than certain U.S. Holders that are subject to the rules pertaining to a controlled foreign corporation with respect to the Issuer, described below) that does not make a timely QEF election will be required to report any gain on disposition of any Issuer Notes as if it were an excess distribution, rather than capital gain, and to compute the tax liability on such gain and any excess distribution received with respect to the Issuer Notes as if such item had been earned ratably over each day in the U.S. Holder's holding period (or a portion thereof) for the Issuer Notes. The U.S. Holder will be subject to tax on such item at the highest ordinary income tax rate for each taxable year, other than the current year of the U.S. Holder, in which the items were treated as having been earned ratably, regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for an additional tax equal to the interest on the tax liability attributable to income allocated to prior years as if such liability had been due with respect to each such prior year. For purposes of the rules, gifts, exchanges pursuant to corporate reorganizations and use of the Issuer Notes as security for a loan may be treated as a taxable disposition of the Issuer Notes. Very generally, an "excess distribution" is the amount by which distributions during a taxable year with respect to an Issuer Note exceed 25% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter,
the U.S. Holder's holding period for the Issuer Note. In addition, a stepped-up basis in the Issuer Note upon the death of an individual U.S. Holder may not be available.

In many cases, application of the tax on gain on disposition and receipt of excess distributions will be substantially more onerous than the treatment applicable if a timely QEF election is made. ACCORDINGLY, U.S. HOLDERS OF ISSUER NOTES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF ELECTION WITH RESPECT TO THE ISSUER NOTES AND THE CONSEQUENCES OF NOT MAKING SUCH AN ELECTION.

Furthermore, in order to avoid the application of the PFIC rules, each U.S. Holder of a Note should consider making a qualified electing fund election on a "protective" basis (although such protective election may not be respected by the IRS because current regulations do not specifically authorize that particular protective election). Further, U.S. Holders of any Class of Notes that may be recharacterized as equity in the Issuer should consult with their own tax advisors with respect to whether, if they owned equity in the Issuer, they would be required to file information returns in accordance with sections 6018, 6038B, and 6046 of the Code (and, if so, whether they should file such returns on a protective basis).

Investment in a Controlled Foreign Corporation. The Issuer may be classified as a controlled foreign corporation ("CFC"). In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is owned (actually or constructively) by "U.S. Shareholders". A U.S. Shareholder, for this purpose, is any U.S. person that possesses (actually or constructively) 10% or more of the combined voting power (generally the right to vote for directors of the corporation) of all classes of shares of a corporation. Although Issuer Notes do not vote for directors of the Issuer, it is possible that the IRS would assert that the Issuer Notes are de facto voting securities and that U.S. Holders possessing (actually or constructively) 10% or more of the total stated amount of outstanding Issuer Notes are U.S. Shareholders. If this argument were successful and Issuer Notes representing more than 50% of the voting power or value of the Issuer's equity are owned (actually or constructively) by such U.S. Shareholders, the Issuer would be treated as a CFC.

If the Issuer were treated as a CFC, a U.S. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a deemed dividend at the end of the taxable year of the Issuer in an amount equal to that person's pro rata share of the subpart F income (as defined below) of the Issuer. Such deemed dividend would be treated as income from sources within the United States for U.S. foreign tax credit limitation purposes to the extent that it is attributable to income of the Issuer from sources within the United States. Among other items, and subject to certain exceptions, subpart F income includes dividends, interest, annuities, gains from the sale or exchange of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all or most of its income would be subpart F income and, in general, if the Issuer's subpart F income exceeds 70% of its gross income, the entire amount of the Issuer's income will be subpart F income. For purposes of calculating the income of the Issuer, the deduction for interest paid to certain related parties may be deferred and ultimately denied. Related parties generally include a person owning more than 50% of the aggregate value of all Classes of Notes treated as equity of the Issuer (with special rules for partnerships) and any real estate investment trust that treats the Issuer as a taxable REIT subsidiary. In addition, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a dividend and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions. U.S. Holders should consult their tax advisors regarding these special rules.

If the Issuer were treated as a CFC, a U.S. Shareholder of the Issuer which made a QEF election with respect to the Issuer would be taxable on the subpart F income of the Issuer under rules described in the preceding paragraph and not under the QEF rules previously described. As a result, to the extent subpart F income of the Issuer includes net capital gains, such gains will be treated as ordinary income of the U.S. Shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be reserved under the QEF rules.
Furthermore, if the issuer were treated as a CPC and a U.S. Holder were treated as a U.S. Shareholder therein, the issuer would not be treated as a PFIC or a QEF with respect to such U.S. Holder for the period during which the issuer remained a CPC and such U.S. Holder remained a U.S. Shareholder therein (the "qualified portion" of the U.S. Holder's holding period for the Issuer Notes). If the qualified portion of such U.S. Holder's holding period for the Issuer Notes subsequently ceased (either because the issuer ceased to be a CPC or the U.S. Holder ceased to be a U.S. Shareholder), then solely for purposes of the PFIC rules, such U.S. Holder's holding period for the Issuer Notes would begin as beginning the first day following the end of such qualified portion, unless the U.S. Holder had owned any of such Class of Issuer Notes for any period of time prior to such qualified portion and had not made a QEF election with respect to the Issuer. In that case, the issuer would again be treated as a PFIC which is not a QEF with respect to such U.S. Holder and the beginning of such U.S. Holder's holding period for the Issuer Notes would continue to be the date upon which such U.S. Holder acquired such Issuer Notes, unless the U.S. Holder made an election to recognize gain with respect to such Issuer Notes and a QEF election with respect to the Issuer.

Credit Default Swap, Basis Swap and Collateral Put Agreement. The IRS may argue that the issuer does not own the Collateral Securities because the Credit Default Swap, the Basis Swap and the Collateral Put Agreement transfer the benefits and burdens of the ownership of the Collateral Securities to Goldman Sachs. Under such characterization, the issuer would hold an obligation of Goldman Sachs to pay to the issuer principal equal to the par value of the Collateral Securities and interest equal to the excess, if any, of interest payments on the Notes and the interest received on the Collateral Securities. Thus, under the PFIC or CFC rules discussed above, the timing of the income that a U.S. Holder reports may differ from the timing of such income if the Credit Default Swap, the Basis Swap and the Collateral Put Agreement are respected. Alternatively, the IRS could argue that the Credit Default Swap, the Basis Swap and the Collateral Put Agreement create a contingent debt obligation subject to the non-contingent bond method. Under such characterization, the issuer generally will have a basis in the contingent debt obligation equal to the cost of such obligation to the issuer (increased by OID accrued with respect to such obligation (determined without regard to adjustments made to reflect the difference between actual and projected payments), and (ii) reduced by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on such obligation. Any gain recognized on the sale, exchange, redemption, retirement or other taxable disposition of the obligation will be treated as ordinary income. Further, in such a case, any loss will be treated as ordinary loss to the extent of prior interest inclusions with respect to the contingent debt obligation, reduced by the total net negative adjustments that the Issuer has taken into account as a deduction with respect to such obligation; any remaining loss will be a capital loss. This characterization would affect the timing and character of the income that a U.S. Holder reports. U.S. Holders where the Issuer Notes should consult their own tax advisors regarding the tax issues associated with the Credit Default Swap, the Basis Swap and the Collateral Put Agreement.

Distributions on the Issuer Notes. The treatment of actual distributions of cash on each Class of Issuer Notes, in very general terms, will vary depending on whether a U.S. Holder has made a timely QEF election as described above. See "—Investment in a Passive Foreign Investment Company." If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to U.S. Holders. Distributions in excess of amounts previously taxed pursuant to a QEF election (or pursuant to the CFC rules, if applicable) will be taxable to U.S. Holders as ordinary income upon receipt to the extent of any remaining amounts of unrealized capital gains and any remaining amounts of unrealized earnings and profits of the Issuer. Distributions in excess of any current and accumulated earnings and profits will be treated first as a non-taxable reduction to the U.S. Holder's tax basis for such Issuer Notes to the extent thereof and then as capital gains.

In the event that a U.S. Holder does not make a timely QEF election, then except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC rules, some or all of the distributions with respect to the Issuer Notes may constitute excess distributions, taxable as previously described. See "—Investment in a Passive Foreign Investment Company." In that event,
Footnote Exhibits - Page 4922

except to the extent that distributions may be attributable to amounts previously taxed to the U.S. Holder pursuant to the CPC rules or are treated as excess distributions, distributions on the Issuer Notes generally would be treated as dividend income for U.S. Federal income tax purposes. However, if U.S. Holders collectively own directly or constructively 50% or more (measured by vote or value) of the Class of Issuer Notes, a percentage of the dividend income equal to the proportion of the Issuer's earnings and profits from sources within the United States generally will be treated as income from sources within the United States for such purposes.

Distributions paid in Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, will be translated into a U.S. Dollar amount based on the spot rate of exchange in effect on the date of receipt whether or not the payment is converted into U.S. Dollars at that time. A U.S. Holder will recognize exchange gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of the deemed distributions and actual distributions, and any such exchange gain or loss will be treated as ordinary income from the same source as the associated income inclusion. The tax basis of the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, received by a U.S. Holder generally will equal the U.S. Dollar value of the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, determined at the spot rate of exchange in effect on the date the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, are received, regardless of whether the payment is converted into U.S. Dollars at that time. Any gain or loss recognized on a subsequent conversion of the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, for U.S. Dollars, in an amount equal to the difference between the U.S. Dollars received and the U.S. Holder's tax basis in the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, generally will be U.S. source ordinary income or loss.

Purchase or Disposition of the Issuer Notes. A U.S. Holder that purchases the Issuer Notes with Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, generally will recognize U.S. source ordinary income or loss in an amount equal to the difference (if any) between the U.S. Dollar fair market value of the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, used to purchase the Issuer Notes determined at the spot rate of exchange in effect on the date of purchase of the Issuer Notes and such U.S. Holder's tax basis in the Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable. In general, a U.S. Holder of an Issuer Note will recognize a gain or loss upon the sale, exchange, redemption, retirement or other taxable disposition of an Issuer Note equal to the difference between the amount realized and such U.S. Holder's adjusted tax basis in the Issuer Note. Except as discussed below (or if the applicable Class of Issuer Notes were characterized as a contingent debt instrument), such gain or loss will be a capital gain or loss and will be long-term capital gain or loss if the U.S. Holder held such Class of Issuer Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential treatment for net long-term capital gains; however, the ability of a U.S. Holder to offset capital losses against ordinary income is limited. Any gain or loss recognized by a U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of an Issuer Note (other than, in the case of a U.S. Holder treated as a "U.S. Shareholder", any such gain characterized as a dividend, as discussed below) generally will be treated as from sources within the United States.

Initially, a U.S. Holder's tax basis for an Issuer Note will equal the cost of such Issuer Note to such U.S. Holder. The cost of an Issuer Note to a U.S. Holder will be the U.S. Dollar value of the Euro, Sterling, Canadian Dollar, Australian Dollar, New Zealand Dollars or Yen purchase price, as applicable, based on the spot rate of exchange in effect on the date of purchase. Such basis will be increased by amounts taxable to such U.S. Holder by virtue of a QEF election, or by virtue of the CPC rules, as applicable, and decreased by actual distributions from the Issuer that are deemed to consist of such dividends, as applicable, until such time as an actual distribution on the Issuer Note is received. Such basis will be decreased by the amount of any loss recognized by the U.S. Holder on the taxable disposition of such Issuer Note.
Footnote Exhibits - Page 4923

previously taxed amounts or are treated as a non-taxable reduction to the U.S. Holder’s tax basis for such Issuer Note (as described above). If a U.S. Holder receives Euro, Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars or Yen, as applicable, on the sale or other taxable disposition of an Issuer Note, the amount realized in U.S. Dollars generally will be based on the spot rate of exchange in effect on the date of the sale or other taxable disposition.

If a U.S. Holder does not make a timely QEF election as described above, any gain realized on the sale, exchange, redemption, retirement or other taxable disposition of an Issuer Note (or any gain deemed to accrue prior to the time a non timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See “Investment in a Passive Foreign Investment Company.”

Subject to a special exception applicable to individuals, if the Issuer were treated as a CFC and a U.S. Holder were treated as a “U.S. Shareholder” therein, any gain realized by such U.S. Holder upon the disposition of Issuer Notes, other than gain constituting an excess distribution under the RRPC rules, if applicable, would be treated as ordinary income to the extent of the U.S. Holder’s share of the current or accumulated earnings and profits of the Issuer. In this regard, earnings and profits would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules, as applicable.

Transfer Reporting Requirements

A U.S. Holder of Issuer Notes that owns (actually or constructively) at least 10% by vote or value of the Issuer (and each officer or director of the Issuer that is a U.S. citizen or resident) may be required to file an information return on IRS Form 5471. A U.S. Holder of Issuer Notes generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50% by vote or value of the Issuer. U.S. Holders should consult their tax advisors regarding whether they are required to file IRS Form 5471.

A U.S. Person that purchases the Issuer Notes for cash will be required to file a Form 926 or a similar form with the IRS if (i) such person owns, directly or by attribution, immediately after the transfer at least 10% by voting power or value of the Issuer or (ii) if the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds U.S.$100,000. In the event a U.S. Holder fails to file any such required form, the U.S. Holder could be required to pay a penalty equal to 10% of the gross amount paid for such Issuer Notes subject to a maximum penalty of U.S.$100,000, except in cases involving intentional disregard. U.S. Persons should consult their tax advisors with respect to this or any other reporting requirement that may apply with respect to their acquisition of the Issuer Notes.

Tax Return Disclosure and Investor List Requirements

Any person that files a U.S. federal income tax return or U.S. federal information return and participates in a reportable transaction in a taxable year is required to disclose certain information on IRS Form 8889 (or its successor form) attached to such person’s U.S. tax return for such taxable year and also file a copy of such form with the IRS’s Office of Tax Shelter Analysis and to retain certain documents related to the transaction. In addition, under these regulations, under certain circumstances, certain organizers and sellers of a reportable transaction will be required to maintain lists of participants in the transaction containing identifying information, retain certain documents related to the transaction, and furnish those lists and documents to the IRS upon request. There are significant penalties for failure to comply with these disclosure and list-keeping requirements. The definition of reportable transaction is highly technical. However, in very general terms, a transaction may be a “reportable transaction” if, among other things, it is offered under conditions of confidentiality or if it results in the claiming of a loss for U.S. federal income tax purposes in excess of certain threshold amounts.

Confidential Treatment Requested by Goldman Sachs

CS M83-E-001918144
Footnote Exhibits - Page 4924

In this regard, in order to prevent the transactions described herein from being treated as offered under conditions of confidentiality, the issuer and the Holders and beneficial owners of the Notes (and each of their respective employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the transactions described herein and all matters of any kind (including opinions of other tax analysts) that are provided to them relating to such U.S. tax treatment and U.S. tax structure. However, any such disclosure of the tax treatment, tax structure and other tax-related materials shall not be made for the purpose of offering to sell the Notes offered hereby or soliciting an offer to purchase any such Notes. For purposes of this paragraph, the terms “tax treatment” and “tax structure” have the meaning given to such terms under Treasury regulation section 1.6011-4(c) and applicable state or local tax law. In general, the tax treatment of a transaction is the purported or claimed U.S. tax treatment of the transaction under applicable U.S. federal, state or local tax law, and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. tax treatment of the transaction under applicable U.S. federal, state or local tax laws.

In addition, under these Treasury regulations, if the issuer participates in a reportable transaction, a U.S. Holder of the Issuer Notes that is a “reporting shareholder” of the Issuer will be treated as participating in the transaction and will be subject to the rules described above. Although most of the Issuer's activities generally are unlikely to give rise to reportable transactions, it is nonetheless possible that the Issuer will participate in certain types of transactions that could be treated as reportable transactions. A U.S. Holder of Issuer Notes will be treated as a reporting shareholder of the Issuer if (1) such U.S. Holder owns 10% or more of the Issuer Notes and makes a QEF election with respect to the Issuer or (2) the Issuer is treated as a CFC and such U.S. Holder is a U.S. Shareholder (as defined above) of the Issuer.

Prospective investors in the Notes should consult their own tax advisors concerning any possible disclosure obligations with respect to their ownership or disposition of the Notes in light of their particular circumstances.

Tax Treatment of Non-U.S. Holders of Notes

In general, payments on the Notes to a Holder that is not, for U.S. federal income tax purposes, a U.S. Holder (a “non-U.S. Holder”) and gain realized on the sale, exchange, redemption, retirement or other taxable disposition of the Notes by a non-U.S. Holder, will not be subject to U.S. federal income or withholding tax, unless (i) such income is effectively connected with a trade or business conducted by such non-U.S. Holder in the United States, or (ii) in the case of gain, such non-U.S. Holder is a non-resident alien individual who holds the Notes as a capital asset and is present in the United States for more than 183 days in the taxable year of the sale, exchange, redemption, retirement or other taxable disposition and certain other conditions are satisfied.

Information Reporting and Backup Withholding

Under certain circumstances, the Code requires “information reporting”, and may require “backup withholding” with respect to certain payments made on the Notes and the payment of the proceeds from the disposition of the Notes. Backup withholding generally will not apply to corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. Backup withholding will apply to a U.S. Holder if the U.S. Holder fails to provide certain identifying information (such as the U.S. Holder’s taxpayer identification number) or otherwise comply with the applicable requirements of the backup withholding rules. The application for exemption from backup withholding for a U.S. Holder is available by providing a properly completed IRS Form W-8.

A non-U.S. Holder of the Notes generally will not be subject to these information reporting requirements or backup withholding with respect to payments of interest or distributions on the Notes if (1) it certifies to the Trustee or the Issuing and Paying Agent, as applicable, its status as a non-U.S. Holder under penalties of perjury on the appropriate IRS Form W-8, and (2) in the case of a non-U.S.
Footnote Exhibits - Page 4925

Holder that is a “nonwithholding foreign partnership”, “foreign simple trust” or “foreign grantor trust” as defined in the applicable Treasury regulations, the beneficial owners of such non-U.S. Holder also certify to the Trustee or the Issuing and Paying Agent, as applicable, their status as non-U.S. Holders under penalties of perjury on the appropriate IRS Form W-8.

The payments of the proceeds from the disposition of a Note by a non-U.S. Holder to or through the U.S. office of a broker generally will not be subject to information reporting and backup withholding if the non-U.S. Holder certifies its status as a non-U.S. Holder (and, if applicable, its beneficial owners also certify their status as non-U.S. Holders) under penalties of perjury on the appropriate IRS Form W-8, satisfies certain documentary evidence requirements for establishing that it is a non-U.S. Holder or otherwise establishes an exemption. The payment of proceeds from the disposition of a Note by a non-U.S. Holder to or through a non-U.S. office of a non-U.S. broker will not be subject to backup withholding or information reporting unless the non-U.S. broker has certain specific types of relationships to the United States, in which case the treatment of such payment for such purposes will be as described in the following sentence. The payment of proceeds from the disposition of a Note by a non-U.S. Holder to or through a non-U.S. office of a U.S. broker or to or through a non-U.S. broker with certain specific types of relationships to the United States generally will not be subject to backup withholding but will be subject to information reporting unless the non-U.S. Holder certifies its status as a non-U.S. Holder (and, if applicable, its beneficial owners also certify their status as non-U.S. Holders) under penalties of perjury or the broker has certain documentary evidence in its files as to the non-U.S. Holder’s foreign status and the broker has no actual knowledge to the contrary.

Backup withholding is not an additional tax and may be refunded (or credited against the U.S. Holder’s or non-U.S. Holder’s U.S. federal income tax liability, if any), provided that certain required information is furnished to the IRS. The information reporting requirements may apply regardless of whether withholding is required.

ERISA CONSIDERATIONS

The advice below was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. The advice is written to support the promotion or marketing of the transaction. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The foregoing disclaimer is provided to satisfy obligations under Circular 230 governing standards of practice before the Internal Revenue Service.

The United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in and subject to Section 3(3) of ERISA), including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans and on those persons who are fiduciaries with respect to such plans. Investments by the plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that a plan’s investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of a plan by taking into account the plan’s particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above under "Risk Factors" and the fact that in the future there may be no market in which such prudent investments will be able to sell or otherwise dispose of the Notes.

Section 405 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of plans and arrangements subject to ERISA (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (the "Plans"))

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918146
Footnote Exhibits - Page 4926

and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

The U.S. Department of Labor has promulgated regulations, 29 C.F.R. Section 2510.3-101 (the "Plan Asset Regulations"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA and Section 4975 of the Code, including the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulations, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company regulated under the Investment Company Act, the Plan's assets include both its equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or, as further discussed below, that equity participation in the entity by "benefit plan investors" is not "significant."

Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if the Notes are acquired with the assets of a Plan with respect to which the Issuer, the initial Purchaser, the Trustee, the Issuing and Paying Agent, any seller of Collateral Securities to the Issuer, the Protection Buyer, the Bond Sweep Counterparty, the Collateral Put Provider or any of their respective Affiliates, is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("PTCE") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 95-1 (relating to investments by insurance company pooled separate accounts), PTCE 95-23 (relating to transactions effected by a "customer-centric asset manager"), and Prohibited Transaction Class Exemption ("PTCE") 96-1 (relating to transactions effected by a "qualified professional asset manager"). There is also a statutory exemption that may be available under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code to a party in interest that is a service provider to a Plan investing in the Securities for adequate consideration, provided that the investment is not (i) a security issued by a Plan's assets used to acquire the Securities or an affiliate of such fiduciary or (ii) an affiliate of the employer sponsoring the Plan (the "Service Provider Exemption"). Adequate consideration means that market value as determined in good faith by the Plan fiduciary pursuant to regulations to be promulgated by the U.S. Department of Labor. There can be no assurance that any of these benefits-based exemptions or the Service Provider Exemption will be available with respect to any particular transaction involving the Notes.

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to state, local, or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult their counsel before purchasing any Notes.

Any insurance company proposing to invest assets of its general account in the Notes should consider the extent to which such investment would be subject to the requirements of Title I of ERISA and Section 4975 of the Code in light of the U.S. Supreme Court's decision in John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank, 510 U.S. 88 (1993), and the enactment of Section 431(c) of ERISA on August 26, 1996. In particular, such an insurance company should consider (i) if the exemptive relief granted by the U.S. Department of Labor for transactions involving insurance company general accounts in PTCE 85-60 and (ii) if such exemptive relief is not available, whether its purchase of the Notes will be permissible under the final regulations issued under Section 431(c) of ERISA. The final regulations provide guidance on which assets held by an insurance company constitute "plan assets" for purposes of the fiduciary responsibility provisions of ERISA and Section 4975 of the Code. The regulations do not exempt the assets of insurance company general accounts from treatment

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918147
Footnote Exhibits - Page 4927

as "plan assets" to the extent they support certain participating annuities issued to Plans after December 31, 1999.

The Co-Issued Notes

The Plan Asset Regulations define an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. As noted above in Income Tax Considerations, it is the opinion of tax counsel to the Issuer that the Co-Issued Notes will be treated as debt for U.S. income tax purposes. Although there is little guidance on the subject, at the time of their issuance, the Co-Issued Notes should be treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulations. This determination is based in part upon (i) tax counsel's opinion that the Co-Issued Notes will be classified as debt for U.S. federal income tax purposes when issued and (ii) the traditional debt features of the Co-Issued Notes, including the reasonable expectation of purchasers of the Co-Issued Notes that they will be repaid when due, as well as the absence of conversion rights, warrants and other typical equity features. Based upon the foregoing and other considerations, subject to the considerations described below, the Co-Issued Notes may be purchased by a Plan. Nevertheless, without regard to whether the Co-Issued Notes are considered equity interests, prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if the Co-Issued Notes are acquired with the assets of a Plan with respect to which the Issuer, the Initial Purchaser or the Trustee and the Issuing and Paying Agent or in certain circumstances, any of their respective affiliates, is a party in interest or a disqualified person. The Investor-Based Exemptions or the Service Provider Exemption may be available to cover such prohibited transactions.

By its purchase of any Co-Issued Notes, each purchaser and subsequent transferee thereof will be deemed to have represented and warranted, at the time of its acquisition and throughout the period it holds such Co-Issued Note, either that (a) it is neither a Plan nor any entity whose underlying assets include "plan assets" (within the meaning of the Plan Asset Regulations) by reason of such Plan's investment in the entity, nor a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and disposition of a Co-Issued Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation under any substantially similar law).

The Issuer Notes

Equity participation in the Issuer of the Notes by "benefit plan investors" is "significant" and will cause the assets of the Issuer to be deemed the assets of an investing Plan (in the absence of another applicable Plan Asset Regulations exception) if 25% or more of the value of any Citrus of equity interest in the Issuer is held by "benefit plan investors." Recently, Section 3(24) of ERISA, as amended under the Pension Protection Act of 2006, effectively amended, by statute, the definition of "benefit plan investors" in the Plan Asset Regulations. Employee benefit plans that are not subject to Title I of ERISA and plans that are not subject to Section 4975 of the Code, such as U.S. governmental and church plans or non-U.S. plans, are no longer considered "benefit plan investors." Accordingly, only employee benefit plans subject to Title I of ERISA or Section 4975 of the Code or an entity whose underlying assets include plan assets by reason of such plan's investment in the entity are considered in determining whether investment by "benefit plan investor" represents 25% or more of any class of equity of the Issuer. Therefore, the term "benefit plan investor" includes (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the fiduciary responsibility provisions of ERISA, (b) a plan as defined in Section 4975(d)(1) of the Code that is subject to Section 4975 of the Code, (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity or (d) as such term is otherwise defined in any regulations promulgated by the U.S. Department of Labor under Section 3(24) of ERISA (collectively, "ERISA Plans").

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918148
Footnote Exhibits - Page 4928

The Issuer Notes would likely be considered to have substantial equity features under the Plan Asset Regulations. In order not to exceed the 25 percent limit referred to above, no ERISA Plans shall be permitted to acquire the Issuer Notes in the initial offering or thereafter. Therefore, the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code should not be applicable to the Issuer. An unlimited number of other types of employee benefit plans, such as governmental or non-U.S. plans may invest in the Issuer Notes as their investment is disregarded for these purposes.

BY ITS PURCHASE OR HOLDING OF AN ISSUER NOTE, OR ANY INTEREST THEREIN, THE PURCHASER AND/ OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT, AT THE TIME OF ITS ACQUISITION, AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN, THAT (1) IT IS NOT AN ERISA PLAN AND IF AFTER ITS INITIAL ACQUISITION OF AN ISSUER NOTE OR ANY INTEREST THEREIN, THE INVESTOR DETERMINES, OR IT IS DETERMINED BY ANOTHER PARTY, THAT SUCH INVESTOR IS AN ERISA PLAN, THE INVESTOR WILL DISPOSE OF ALL OF ITS ISSUER NOTES IN A MANNER CONSISTENT WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE, AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE, HOLDING AND DISPOSITION OF THE ISSUER NOTES WILL NOT CAUSE A NON-EXEMPT VIOLATION OF ANY U.S. FEDERAL, STATE OR LOCAL LAW OR ANY NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF THE TRANSACTIONS CONTEMPLATED HEREIN AND (3) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUCH NOTE OR INTEREST THEREIN TO ANY PERSON WHO IS UNABLE TO SATISFY THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES.

There can be no assurance that, despite the transfer restrictions relating to purchases by ERISA Plans, ERISA Plans will not in actually own 25% or more of such value.

If for any reason the assets of the Issuer are deemed to be "plan assets" of an ERISA Plan because one or more ERISA Plans is an owner of Issuer Notes (or a Note characterized as an "equity interest" in the Issuer), certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Issuer may be prevented from engaging in certain investments (as not being an investment consistent with the ERISA prudent investment standards) or engaging in certain transactions or free amendments on investments because they might be deemed to cause non-exempt prohibited transactions. It is not clear that Section 404(b) of ERISA, which generally requires that all of the assets of a plan or a plan arrangement subject to ERISA be held in trust and limits delegation of investment management responsibility by fiduciaries of such plans or arrangements, would be satisfied. In addition, it is unclear whether Section 404(b) of ERISA, which generally provides that no fiduciary may maintain the indicia of ownership of any assets of a plan outside the jurisdiction of the district courts of the United States, would be satisfied or any of the exceptions to the requirement set forth in 29 C.F.R. Section 2550.404b-1 would be available.

Any fiduciary of a benefit plan investor or other person who proposes to use assets of any benefit plan investor to offload its purchase of any Note, is in no respect a representation by the Issuer or the Initial Purchaser that such an investment meets all relevant legal requirements with respect to investments by

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918149
benefit plan investors generally or any particular benefit plan investor, or that such an investment is appropriate for benefit plan investors generally or any particular benefit plan investor.

SETTLEMENT AND CLEARING

Global Notes

Upon the issuance of the Global Notes denominated in Dollars, DTC or its custodian will credit, on its internal system, the respective aggregate original principal amount of the individual beneficial interests represented by such Global Notes to the accounts of persons who have accounts with DTC. Upon the issuance of the Global Notes denominated in Approved Currencies other than Dollars, Euroclear or its nominee will credit, on their internal system, the respective aggregate original principal amount of the individual beneficial interests represented by such Global Notes to the accounts of persons who have accounts with Euroclear. Such accounts initially will be designated by or on behalf of the Initial Purchaser. Ownership of beneficial interests in Global Notes denominated in Dollars will be limited to persons who have accounts with DTC or Euroclear, as the case may be, ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or Euroclear, as the case may be, or their nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants).

With respect to Notes denominated in Dollars, so long as DTC, or its nominee, is the registered owner or Holder of the Global Notes, DTC or such nominee, as the case may be, will be considered the sole owner or Holder of each Class of the Notes represented by such Global Notes for all purposes under the Indenture and the Issuing and Paying Agency Agreement, as applicable, and such Notes. With respect to Notes denominated in Approved Currencies other than Dollars, so long as the Common Depository, or a nominee thereof, is the registered owner or Holder of the Global Notes, the Common Depository or its nominee, as the case may be, will be considered the sole owner or Holder of each Class of the Notes represented by such Global Notes for all purposes under the Indenture and the Issuing and Paying Agency Agreement, as applicable, and such Notes. Unless (a) DTC notifies the Issuers that it is unwilling or unable to continue as depositary for a global note or ceases to be a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act, or (b) Euroclear notifies the Issuers that it is unwilling or unable to continue as depositary for a global note or ceases to be a Clearing Agency, owners of the beneficial interests in the Global Notes will not be entitled to have any portion of such Global Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in certificated form and will not be considered to be the owners or Holders of any Notes under the Indenture or the Issuing and Paying Agency Agreement, as applicable. The owner of a beneficial interest in a Global Note will also be entitled to receive a certificated Note in exchange for such interest if an Event of Default has occurred and is continuing. In addition, no beneficial owner of an interest in the Global Notes will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Indenture referred to herein and, if applicable, those of Euroclear and Clearstream).

Investors may hold their interests in Regulation S Global Notes directly through Clearstream or Euroclear, if they are participants in these systems, or indirectly through organizations that are participants in these systems. With respect to Notes denominated in Dollars, Clearstream and Euroclear will hold interests in the Regulation S Global Notes on behalf of their participants through their respective depositaries, which in turn will hold the interests in the Regulation S Global Notes in customers' securities accounts in the depositaries' names on the books of DTC. Investors may hold their interests in a Rule 144A Global Note directly through DTC if they are participants in the system, or indirectly through organizations that are participants in the system.

With respect to Notes denominated in Dollars, payments of the principal of and interest or distributions on such Global Notes will be made to DTC or its nominee, as the registered owner thereof.
With respect to Notes denominated in an Approved Currency other than Dollars, payments of the principal of and interest or distributions on such Global Notes will be made to the Common Depository, as the registered owner thereof. None of the Issuers, the Trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments or distributions made on account of beneficial ownership interests in the Global Notes or for any notice permitted or required to be given to Holders of Notes or any consent given or actions taken by DTC or Euroclear, as applicable, as Holder of Notes. The Issuers expect that DTC or Euroclear or their nominee, as the case may be, upon receipt of any payment of principal, interest or distributions, as the case may be, in respect of a Global Note representing any Notes held by it or its nominee, will immediately credit participants’ accounts, in the currency in which the Note is denominated, with payments in amounts proportionate to their respective interests in the principal amount of such Note in global form as shown on the records of DTC or Euroclear, as the case may be, or a nominee thereof. The Issuers also expect that payments by participants to owners of interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants. Payments of the principal of and interest or distributions on the Regulation S Global Notes denominated in Dollars will be made to Clearstream or Euroclear, as applicable, as indirect participants in DTC, in accordance with their respective rules and operating procedures. Payment of the principal of and interest or distributions on the Regulation S Global Notes denominated in Approved Currencies other than Dollars will be made directly to the nominee of Clearstream or Euroclear, as applicable, in accordance with their respective rules and operating procedures.

Transfers between participants of the same Clearing Agency will be effected in the ordinary way in accordance with such Clearing Agency’s rules and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in Global Notes to such persons may be limited. Because the Clearing Agencies can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in Global Notes to pledge its interest to persons or entities that do not participate in the DTC or Euroclear system, or otherwise take action in respect of its interest, may be affected by the lack of a physical certificate of the interest. Transfers between participants or account holders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

With respect to Notes denominated in Dollars, subject to compliance with the transfer restrictions applicable to the Notes described above, cross-market transfers between DTC participants, on the one hand, and, directly or indirectly through Euroclear or Clearstream account holders, on the other, will be effected in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in the system in accordance with its rules and procedures and within its established deadlines (Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in a Regulation S Global Note in DTC, and making or receiving payment in accordance with normal procedures for a same-day funds settlement applicable to DTC. Clearstream and Euroclear account holders may not deliver instructions directly to the depositories for Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a DTC participant will be credited during the securities settlement processing day (which must be a Business Day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and the credit of any transactions in interests in a Global Note settled during the processing day will be reported to the relevant Euroclear or
Clearstream participant on that day. Cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

DTC has advised the Issuers that it will take any action permitted to be taken by a Holder of the Notes (including the presentation of the applicable Notes for exchange as described below) only at the direction of one or more participants to whose account with DTC interests in a Global Note are credited and only in respect of that portion or number of the aggregate principal amount of the Notes as to which the participant or participants has or have given direction.

The giving of notices and other communications by any Clearing Agency to participants, by participants to persons who hold accounts with them and by such persons to Holders of beneficial interests in a Global Note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised the Issuers as follows: DTC is a limited purpose trust company principally located under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream provide various services including safeguarding, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in a RegS Global Note directly through Euroclear or Clearstream if they are accountholders therein ("direct participants") or as indirect participants through organizations that are direct or indirect accountholders in direct participants.

Although the Clearing Agencies have agreed to the foregoing procedures in order to facilitate transfers of interests in Global Notes among participants of the Clearing Agencies, they are under no obligation to perform or continue to perform these procedures, and the procedures may be discontinued at any time. Neither the Issuers, the Trustee nor the Issuing and Paying Agent will have any responsibility for the performance by the Clearing Agencies or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Each Regulation S Global Note denominated in an Approved Currency other than Dollars will have an ISIN and a Common Code and will be registered in the name of ABN AMRO GUTS NOMINEES LIMITED as nominee for ABN AMRO Bank N.V. (London Branch) as common depository for Clearstream and Euroclear, and deposited with the Common Depository.
Each Global Note denominated in Dollars will have a CUSIP number and will be registered in the name of Cede & Co., as nominee of, and deposited with LaSalle Bank National Association, as custodian (the "DTC Custodian") for, DTC. The DTC Custodian and DTC will electronically record the principal amount of the Notes held within the DTC system.

Individual Definitive Securities

If (a) DTC or any successor to DTC advises the Issuer in writing that it is at any time unwilling or unable to continue as a depositary for the reasons described in "—Global Notes" and a successor depositary is not appointed by the Issuer within 90 days, (b) Euroclear or its nominee or any successor to Euroclear or its nominee advises the Issuer in writing that it is at any time unwilling or unable to continue as a depositary for the reasons described in "—Global Notes" and a successor depositary is not appointed by the Issuer within 90 days, (c) as a result of any amendment to or change in the laws or regulations of the Cayman Islands or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which become effective on or after the Closing Date, the Issuer or the paying agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive form or (d) upon the written request of any beneficial owner of an interest in a Global Note following the occurrence of an Event of Default, the Issuer will issue individual definitive Notes in registered form in exchange for the Global Notes. Upon receipt of such notice from any Clearing Agency, the Issuer will use its best efforts to make arrangements with such Clearing Agency for the exchange of interests in the Global Notes for Individual definitive Notes and cause the requested Individual definitive Notes to be executed and delivered to the Note Registrar or Issuer Note Registrar, as applicable, in sufficient quantities and authenticated by or on behalf of the Trustee or the Issuing and Paying Agent, as applicable, for delivery to Holders of the Notes. Persons exchanging interests in a Global Note for individual definitive Notes will be required to provide to the Trustee or the Issuing and Paying Agent, as applicable, through DTC, Clearstream or Euroclear, (i) written instructions and other information required by the Issuer and the Trustee or the Issuing and Paying Agent, as applicable, to complete, execute and deliver such individual definitive Notes, (ii) in the case of an exchange of an interest in a Rule 144A Global Note, such certification as to "Qualified Institutional Buyer" status, and that such Holder is a Qualified Purchaser, as the Issuer shall require and (iii) in the case of an exchange of an interest in a Regulation S Global Note, such certification as the Issuer shall require as to non-U.S. Person status. In all cases, individual definitive Notes delivered in exchange for any Note in global form or beneficial interests therein will be registered in the name, and issued in denominations in compliance with the minimum denominations specified for the applicable Notes in global form, requested by the applicable Clearing Agency.

Individual definitive Notes will bear, and be subject to, such legend as the Issuer requires in order to assure compliance with any applicable law. Individual definitive Notes will be transferable subject to the minimum denomination applicable to such Notes, in whole or in part, and exchangeable for individual definitive Notes of the same kind at the office of the Trustee or the Issuing and Paying Agent, as applicable, or the office of any transfer agent, upon compliance with the requirements set forth in the Indenture. Individual definitive Notes may be transferred through any transfer agent, upon the delivery and duly completed assignment of such Notes. Upon a partial transfer of any Notes represented by the applicable definitive notes therefor, the Trustee or the Issuing and Paying Agent, as applicable, will issue in exchange therefor the transferred one or more individual definitive Notes representing the amount being so transferred and will issue to the transferor one or more individual definitive Notes representing the remaining amount not being transferred. No service charge will be imposed for any registration of transfer or exchange, but payment of a sum sufficient to cover any tax or other governmental charge may be required. The Holder of a restricted individual definitive Note may transfer such Note, subject to compliance with the provisions of the legend thereon. Upon the transfer, exchange or replacement of Notes bearing the legend, or upon specific request for removal of the legend on a Note, the Issuer will deliver only Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4933

transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. Payments of principal and interest on individual definitive Notes shall be payable by wire transfer to immediately available funds to an account maintained by the Holder thereof or its nominee or, if appropriate instructions are not received at least fifteen days prior to the relevant Payment Date, by check drawn on a bank and sent by mail to the Registered holder thereof or, for so long as any of the Notes are listed on any stock exchange and the notes of such stock exchange shall so require, at the office of the listing, paying and transfer agent.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes. Any purchase or transfer of the Notes will be subject to the minimum denomination set forth in "Summary—Notes".

Rule 144A Global Notes

Each purchaser of a beneficial interest in a Rule 144A Global Note will be deemed to have represented and agreed with the Issuer as follows:

1. (A) the Issuer is a qualified institutional buyer and a qualified Purchaser, (B) the purchaser is purchasing the Notes for its own account or the account of another qualified Purchaser that is also a qualified institutional buyer as to which the purchaser exercises sole investment discretion, (C) the purchaser and any such account is acquiring the Notes as principal for its own account for investment and not for sale in connection with any distribution thereof, (D) the purchaser and any such account was not formed solely for the purpose of investing in the Notes (except when each beneficial owner of the purchaser or any such account is a qualified Purchaser), (E) to the extent the purchaser (or any account for which it is purchasing the Notes) is a private investment company (as defined in Section 3(a)(11) of the Securities Act) formed on or before April 30, 1996, the purchaser and each such account has received the necessary consent from its beneficial owner, (F) neither the purchaser nor any such account is a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made, (G) the purchaser agrees that it and each such account shall not hold such Notes for the benefit of any other Person and shall be the sole beneficial owner thereof for all purposes and that it shall not hold participation interests in the Notes or enter into any other arrangement pursuant to which any other Person shall be entitled to a beneficial interest in the distributions on the Notes, (H) if the Notes purchased directly or indirectly by the purchaser or any account for which it is purchasing the Notes constitute an investment of no more than 40% of the purchaser's and each such account's assets (except when each beneficial owner of the purchaser and each such account is a qualified Purchaser), (I) the purchaser and each such account is purchasing the Notes in a principal amount of not less than the minimum denomination requirement for the purchaser and each such account, (J) the purchaser will provide notice of the transfer restrictions set forth in the Indenture (including the exhibits thereto) to any transferees of its Notes, (K) the purchaser understands and agrees that the Issuer may receive a list of participants in the Notes from one or more book-entry depositories and (L) the purchaser understands and agrees that any purported transfer of the Notes to a purchaser that does not comply with the requirements of this paragraph (I) shall be null and void ab initio.

2. If any U.S. Person that is not both a qualified institutional buyer and a qualified Purchaser at the time it acquires an interest in a Note shall become the beneficial owner of any Note, (any such Person, a "Non-Permitted Holder"), the Trustee or the Issuing and Paying Agent, as applicable, shall, promptly after discovery that such Person is a Non-Permitted Holder inform the Issuer, the Co-Issuer, the Trustee or the Issuing and Paying Agent, as applicable (and notice by the Trustee, the Issuing and Paying Agent or the Co-Issuer to the Issuer, if any of them makes the discovery), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a Person that is not a Non-Permitted Holder within 14 days of the date of such notice. If such Non-Permitted Holder fails to transfer its Notes, the Issuer shall have the right, without further notice to the Non-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918154
Footnote Exhibits - Page 4934

Permitted Holder, to sell such Notes or interest in Notes to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer, or the Trustee or the Issuing and Paying Agent, as applicable, acting on behalf of the Issuer, may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes, and selling such Notes to the highest such bidder. However, the Issuer or the Trustee or the Issuing and Paying Agent, as applicable, may select a purchaser by any other means determined by it in its sole discretion and the Trustee or the Issuing and Paying Agent, as applicable, may, at the expense of the Issuer, engage an independent investment bank to assist in such sale. The Holder of each Note, the Non-Permitted Holder and each other Person in the chain of title from the Holder to the Non-Permitted Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer and the Trustee or the Issuing and Paying Agent, as applicable, to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale under this paragraph shall be determined in the sole discretion of the Issuer, and neither the Issuer nor the Trustee or Issuing and Paying Agent, as applicable, shall be liable to any Person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

(1) an ERISA Plan or (2) a governmental, church, non-U.S. or other plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code whose purchase, holding or disposition of an Issuer Note or any beneficial interest therein will result in a non-waivable violation of any federal, state, local or non-U.S. law substantially similar to Section 406 of ERISA or Section 4975 of the Code (any such person described in clause (1) or (2) a "Non-Permitted ERISA Plan Holder") becomes the owner of Issuer Notes, the Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Plan Holder by the Issuer or the Issuing and Paying Agent (and notice by the Issuing and Paying Agent to the Issuer, if the Issuing and Paying Agent makes the discovery), send notice to such Non-Permitted ERISA Plan Holder demanding that such Non-Permitted ERISA Plan Holder transfer its Issuer Notes to a Person that is eligible to purchase such Issuer Notes hereunder within 14 days of the date of such notice. If such Non-Permitted ERISA Plan Holder fails to so transfer such Issuer Notes, the Issuer shall have the right, without further notice to the Non-Permitted ERISA Plan Holder, to sell such Issuer Notes to a purchaser selected by the Issuer that is eligible to purchase such Issuer Notes hereunder on such terms as the Issuer may choose. The Issuer, or the Issuing and Paying Agent acting on behalf of the Issuer, may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Issuer Notes and selling such Issuer Notes to the highest such bidder. However, the Issuer or the Issuing and Paying Agent acting on behalf of the Issuer may select a purchaser by any other means determined by it in its sole discretion and the Holder of each Issuer Note, the Non-Permitted ERISA Plan Holder and each other Person in the chain of title from the Holder to the Non-Permitted ERISA Plan Holder, by its acceptance of Issuer Notes agrees to cooperate with the Issuer and the Issuing and Paying Agent to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted ERISA Plan Holder. The terms and conditions of any sale under this paragraph shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to any Person having an interest in the Issuer Notes sold as a result of any such sale or the exercise of such discretion.

(2) The purchaser understands and agrees that the Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and the sale of the Notes to the purchaser is being made in reliance on an exemption from registration under the Securities Act, and may be reoffered, resold, pledged or otherwise transferred only (A)(i) to a Person whom the purchaser reasonably believes is a Qualified Institutional Buyer purchasing for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (B) in accordance with all applicable securities laws of the states of the United States. The Issuer, the Co-Issuer and the Issuer Assets have not been registered under the Investment Company Act and, therefore, no transfer

Confidential Treatment Requested by Goldman Sachs

GS MISS-E-001916155
having the effect of causing the Issuer, the Co-Issuer or the Issuer Assets to be required to be registered as an investment company under the Investment Company Act will be recognized. The Notes are subject to the restrictions on transfer set forth herein and in the Indenture and the Notes. The purchaser understands and agrees that any purported transfer of the Notes to a purchaser that does not comply with the requirements of this paragraph (b) shall be null and void ab initio.

(b) The purchaser is not a member of the public of the Cayman Islands.

(v) The purchaser is not purchasing the Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands and agrees that an investment in the Notes involves certain risks, including the risk of loss of its entire investment in the Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(vi) In connection with the purchase of the Notes: (A) none of the Issuers, the Initial Purchaser, the Trustee, the Issuing and Paying Agent, the Protection Buyer, the Basis Swap Counterparty, the Collateral Put Provider, the Collateral Disposal Agent, the Portfolio Selection Agent, the Administrator of the Share Trustees (or any of their respective Affiliates) is acting as a fiduciary or financial or investment adviser for the purchaser; (B) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuers, the Initial Purchaser, the Trustee, the Issuing and Paying Agent, the Portfolio Selection Agent, the Administrator of the Share Trustees (or any of their respective Affiliates) other than in the final offering circular for such Notes and any representations expressly set forth in a written agreement with such party; (C) none of the Issuers, the Initial Purchaser, the Trustee, the Issuing and Paying Agent, the Portfolio Selection Agent, the Administrator of the Share Trustees (or any of their respective Affiliates) has given to the purchaser (directly or indirectly through any other Person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, risk, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; (D) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuers, the Initial Purchaser, the Trustee, the Issuing and Paying Agent, the Portfolio Selection Agent, the Administrator or the Share Trustees (or any of their respective Affiliates); (E) the purchaser has evaluated the terms and conditions of the purchase and sale of the Notes with a full understanding of all of the risks thereof (economic and otherwise); and it is capable of assuming, and willing to assume (financially and otherwise) those risks; (F) the purchaser is a sophisticated Investor; and (G) if acquiring the Notes for any account, the purchaser has not made any disclosure, assurance, guarantee or representation not consistent with the provisions and the requirements contained herein.

(vii) In the case of the Co-Issued Notes, at the time of its acquisition and throughout the period it holds such Co-Issued Note, either (A) the purchaser is not a Plan nor any entity whose underlying assets include "plan assets" (within the meaning of the Plan Asset Regulations) by reason of such Plan's investment in the entity, nor a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (B) if the purchaser is an entity described in (A), the purchase, holding and disposition of a Co-Issued Note, as the case may be, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. or other plan, a non-exempt violation under any substantially similar federal, state, local or non-U.S. law). Any purported transfer of a Note to a purchaser that does not comply with the requirements of this paragraph (vii) shall be null and void ab initio.
(iv) In the case of the Issuer Notes, each purchaser and subsequent transferee of a beneficial interest in any such Note will be deemed to represent that the purchaser or transferee, as the case may be, from the date on which it acquires its interest in such Notes through and including the date on which such purchaser or transferee disposes of its interest in such Notes (1) it is not an ERISA Plan, and (2) if it is other than an ERISA Plan, it will dispose of all of its Issuer Notes in a manner consistent with the restrictions set forth in the indenture, and (3) it will not cause a non-exempt violation of any U.S. federal, state or local law or any non-U.S. law which is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of any such Notes will not cause a non-exempt violation of any U.S. federal, state or local law or any non-U.S. law which is substantially similar to Title I of ERISA or Section 4975 of the Code as a result of the transactions contemplated herein and (3) it will not sell or otherwise transfer any such Note or interest therein to any person who is unable to satisfy the same lending representations and warranties.

(x) To the extent required by the Issuer, as determined by the Issuer, the Issuer may, upon notice to the Trustee and the Issuing and Paying Agent, impose additional transfer restrictions on the Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the USA PATRIOT Act) and other similar laws or regulations, including, without limitation, requiring each transferee of a beneficial interest in a Note to make representations to the Issuer in connection with such compliance.

(x) The Co-Issued Notes will bear a legend substantially to the following effect:

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREBY BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED AGREES FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A) (1) TO A PERSON WHO THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF Regulation S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1) A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 ($100,000) FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING TO A PURCHASER THAT (W) IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 230(t) OF THE INVESTMENT COMPANY ACT, (x) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (y) UNDERSTANDS AND AGREES THAT THE ISSUERS MAY RECEIVE A LIST OF PARTICIPANTS IN THE NOTES FROM ONE OR MORE BOOK-ENTRY DEPOSITARIES AND (z) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED ON OR BEFORE APRIL 30, 1996, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR EXCLUSION AND (b) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. ANY TRANSFER IN

1 Applicable to the Rule 144A Global Notes.
2 Applicable to Regulation S Global Notes denominated in Dollars.
3 Applicable to Regulation S Global Notes denominated in Approved Currencies other than Dollars, as applicable.
VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE. NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUERS, THE TRUSTEE OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO RESELL NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE INDENTURE) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE INDENTURE.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") NEW YORK, NEW YORK, TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE, AND TRANSFERS OR PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, ABN AMRO GSTS NOMINEES LIMITED AS NOMINEE FOR ABN AMRO BANK N.V. (LONDON BRANCH), HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE EUROCLAR SYSTEM ("EUROCLAR"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF ABN AMRO GSTS NOMINEES LIMITED AS NOMINEE FOR ABN AMRO BANK N.V. (LONDON BRANCH) OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLAR (AND ANY PAYMENT HEREON IS MADE TO ABN AMRO BANK N.V. (LONDON BRANCH)).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLAR OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE, AND TRANSFERS OR PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(26)

1 Applicable to the Dollar-denominated Notes.
2 Applicable to the Notes denominated in Approved Currencies other than Dollars.

119

Confidential Treatment Requested by Goldman Sachs
OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR AN APPROPRIATE INTERNAL REVENUE SERVICE FORM W-2 OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK-UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

THIS NOTE MAY NOT BE TRANSFERRED TO AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") THAT IS SUBJECT TO TITLE I OF ERISA) OR A PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE) OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" (WITHIN THE MEANING OF 29 C.F.R. § 2510.3-101) BY REASON OF SUCH EMPLOYEE BENEFIT PLANS OR PLANS' INVESTMENT IN THE ENTITY OR A GOVERNMENTAL CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE IF THE PURCHASE, HOLDING AND DISPOSITION OF THE NOTE WILL CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION UNDER ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAW). ANY PURPORTED TRANSFER OF THIS NOTE TO A PURCHASER THAT DOES NOT COMPLY WITH THE ABOVE REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.

The Issuer Notes will bear a legend substantially to the following effect:

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION COMPLIANT WITH RULE 902 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN [$250,000] [$100,000]

1 Applicable to the Rule 144A Global Notes
2 Applicable to Regulation S Global Notes denominated in Dollars.
3 Applicable to Regulation S Global Notes denominated in Approved Currencies other than Dollars, as applicable.

120

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001916159
VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE. NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE ISSUING AND PAYING AGENT OR ANY INTERMEDIARY, EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE ISSUING AND PAYING AGENCY AGREEMENT TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO REJECT NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE ISSUING AND PAYING AGENCY AGREEMENT) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE ISSUING AND PAYING AGENCY AGREEMENT.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (DTC), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREOF IS MADE TO CEDE & CO.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE ISSUING AND PAYING AGENCY AGREEMENT REFERRED TO HEREIN.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, ABN AMRO GSTS NOMINEES LIMITED AS NOMINEE FOR ABN AMRO BANK N.V. (LONDON BRANCH), HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE EUROCLEAR SYSTEM (EUROCLEAR), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF ABN AMRO GSTS NOMINEES LIMITED AS NOMINEE FOR ABN AMRO BANK N.V. (LONDON BRANCH) OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR (AND ANY PAYMENT HEREOF IS MADE TO ABN AMRO BANK N.V. (LONDON BRANCH)).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE ISSUING AND PAYING AGENCY AGREEMENT REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE ISSUING AND PAYING AGENT.

THE FAILURE TO PROVIDE THE ISSUER, THE ISSUING AND PAYING AGENT AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS

1 Applicable to the Dollar-denominated Notes.
2 Applicable to the Notes denominated in Approved Currencies other than Dollars.
Footnote Exhibits - Page 4940

(GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-4 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(16) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR AN APPROPRIATE INTERNAL REVENUE SERVICE FORM W-4 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(50) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK-UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

BY ITS PURCHASE OR HOLDING OF AN ISSUER NOTE, OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT, AT THE TIME OF ITS ACQUISITION, AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN, THAT (1) IT IS NOT (A) AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(36) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(a)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLANS INVESTMENT IN THE ENTITY OR (D) A "BENEFIT PLAN INVESTOR" AS SUCH TERM IS OTHERWISE DEFINED IN ANY REGULATIONS PROMULGATED BY THE U.S. DEPARTMENT OF LABOR UNDER SECTION 3(42) OF ERISA (AN "ERISA PLAN"); AND IF AFTER ITS INITIAL ACQUISITION OF AN ISSUER NOTE OR ANY INTEREST THEREIN, THE INVESTOR DETERMINES, OR IT IS DETERMINED BY ANOTHER PARTY, THAT SUCH INVESTOR IS AN ERISA PLAN, THE INVESTOR WILL DISPOSE OF ALL OF ITS ISSUER NOTES IN A MANNER CONSISTENT WITH THE RESTRICTIONS SET FORTH IN THE ISSUING AND PAYING AGENCY AGREEMENT, AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE, HOLDING AND DISPOSITION OF THE ISSUER NOTES WILL NOT CAUSE A NON-EXEMPT VIOLATION OF ANY U.S. FEDERAL, STATE OR LOCAL LAW OR ANY NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF THE TRANSACTIONS CONTEMPLATED HEREIN AND (3) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUCH NOTE OR INTEREST THEREIN TO ANY PERSON WHO IS UNABLE TO SATISFY THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES.

(x) Each purchaser or subsequent transferee of Rule 144A Issuer Notes that (i) is not a "United States person" (as defined in Section 7701(a)(50) of the Code) and (ii) is acquiring, directly or in conjunction with affiliates, more than 3% of the Aggregate USD Equivalent Outstanding Amount of any Class of Issuer Notes, as applicable, will be deemed to have made a representation to the effect that it is not an Affiliated Bank.

Regulation S Global Notes

Each purchaser of a beneficial interest in a Regulation S Global Note will be deemed to have represented and agreed with the Issuer:

(i) as set forth in paragraphs (i), (iv), (v), (vi), (vii) (in the case of the Co-Issued Notes), (viii) (in the case of the Co-Issuer Notes), (ix), (x), (xi), (xii) (in the case of the Issuer Notes) under "Rule 144A Global Notes";

(ii) that the purchaser is a non-U.S Person acquiring the Notes in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S and in a principal amount of not less than the applicable minimum denomination requirement; and
(ii) each purchaser or subsequent transferee of Regulation S Global Notes that (i) is not a "United States person" as defined in Section 7701(a)(30) of the Code and (ii) is acquiring, directly or indirectly, in any manner, any of the Aggregate USD Equivalent Outstanding Amount of any Class of Issuer Notes will be deemed to make a representation to the effect that it is not an Affiliated Bank.

UNDERWRITING

Subject to the terms and conditions set forth in the Purchase Agreement, the Issuers, with respect to the Co-issued Notes issued on the Closing Date and the Issuer, with respect to the Issuer Notes issued on the Closing Date have agreed to sell, on the Closing Date, to Goldman Sachs & Co. has agreed to purchase all of such Notes.

Under the terms and conditions of the Purchase Agreement, the Initial Purchaser is committed to take and pay for all the Notes to be offered to the Initial Purchaser, not if any are taken. Under the terms and conditions of the Purchase Agreement, Goldman Sachs & Co. will be entitled to an underwriting discount. After the Notes are released for sale, the Initial Purchaser may change the offering price and other selling terms.

The Notes have not been and will not be registered under the Securities Act for offer of sale as part of their distribution and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. Person or a U.S. resident (as determined for purposes of the Investment Company Act, a "U.S. Resident") except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Issuers have been advised by the Initial Purchaser that (a) the Initial Purchaser proposes to resell the Notes outside the United States through its agent, Goldman Sachs International, in offshore transactions in reliance on Regulation S and in accordance with applicable law, and (b) the Initial Purchaser proposes to resell the Notes in the United States in reliance on Rule 144A under the Securities Act only to Qualified Institutional Buyers purchasing for their own accounts or for the accounts of Qualified Institutional Buyers each of which purchasers or accounts is a Qualified Purchaser. The offering price and the Initial Purchaser's underwriting discount will be the same for the Regulation S Global Notes and the Rule 144A Global Notes within each Class of Notes. Any offer or sale of Rule 144A Global Notes in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act will be made by broker-dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser.

The Initial Purchaser has acknowledged and agreed that it will not offer, sell or deliver any Notes sold pursuant to Regulation S to, or for the account or benefit of, any U.S. Person or U.S. Resident (as determined for purposes of the Investment Company Act) as part of its distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it is entitled pursuant to Regulation S a confirmation or other notice setting forth the prohibition on offers and sales of Notes sold pursuant to Regulation S within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

With respect to the Notes initially sold pursuant to Regulation S, until the expiration of 40 days after the commencement of the distribution of this offering of Notes by the Initial Purchaser, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

In connection with the offering, the Initial Purchaser may purchase and sell the Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover

Confidential Treatment Requested by Goldman Sachs

GS MSS-E-001919162
positions created by short sales. Short sales involve the sale by the Initial Purchaser of a greater amount of Notes than they are required to purchase in the offering. Stabilizing transactions entail of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress.

The Initial Purchaser also may impose a penalty bid. This occurs when the Initial Purchaser repays a portion of the underwriting discount received by it because such Initial Purchaser or its Affiliates have repurchased Notes sold by it or for the account of such Initial Purchaser in stabilizing or short covering transactions.

These activities by the Initial Purchaser may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Initial Purchaser at any time. These transactions may be effected in the over-the-counter market or otherwise.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

(i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €3,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(iii) to other legal persons, which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The Initial Purchaser has represented and agreed that:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise
constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has completed and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Notes may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and the initial Purchaser has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to institutional investors within the meaning of Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1)(a), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1)(a), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918194
Footnote Exhibits - Page 4944

The Initial Purchaser has agreed that it has not made and will not make any invitation to the public in the Cayman Islands to purchase any of the Notes.

Buyers of Notes pursuant to Regulation S sold by Goldman, Sachs & Co., may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any other materials relating to the Issuers or the Notes, in any jurisdiction where action for such purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of such country or jurisdiction.

The Notes are a new issue of securities with no established trading market. The Issuers have been advised by the Initial Purchaser that the Initial Purchaser intends to make a market in the Notes but is not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes. See “Risk Factors—Certain Consequences of Ownership.”

Application will be made to admit the Notes on a stock exchange of the Issuer’s choice, if practicable. There can be no assurance that any admission will be sought, granted or maintained.

The Issuers have agreed to indemnify the Initial Purchaser, the Portfolio Selection Agent, the Trustee and the Issuing and Paying Agent against certain liabilities, including, but not limited to, liabilities under the Securities Act, or to contribute to payments they may be required to make in respect thereof. In addition, the Issuers have agreed to reimburse the Initial Purchaser for certain of its expenses.

LISTING AND GENERAL INFORMATION

1. Application will be made to admit the Notes on a stock exchange of the Issuer’s choice, if practicable. There can be no assurance that any such admission will be sought, granted or maintained.

2. For fourteen days following the date of this Offering Circular, copies of the Memorandum and Articles of Association of the Issuer, the By-Laws of the Co-Issuer, the Indenture, the Bond Purchase Agreement, each Deed of Covenant, the Credit Support Swap, the Basis Swap, the Collateral Pool Agreement, the Collateral Administration Agreement, the Portfolio Selection Agreement and the Indenture Agreement (such agreements collectively, the “Material Documents”) will be available for inspection at the principal office of the Issuer and the offices of any Listing, Paying and Transfer Agent, and copies thereof may be obtained upon request. In addition, copies of any reports (including, without limitation, monthly reports) prepared under the Indenture may be obtained upon request from any Listing, Paying and Transfer Agent.

3. Copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Issuer, the Certificate of Incorporation and By-Laws of the Co-Issuer, the Administration Agreement, the resolutions of the Board of Directors of the Issuer authorizing the Issuance of the Notes, the resolutions of the Board of Directors of the Co-Issuer authorizing the Issuance of the Notes, will be available for inspection at the office of the Trustee and the Issuing and Paying Agent, as applicable, and at the office of any Listing, Paying and Transfer Agent.
4. Since the date of establishment, there has been no significant change in the financial or trading position of the Issuer and no annual report or accounts have been prepared as of the date hereof.

5. The Issuers are not involved in any litigation or arbitration proceedings relating to claims on amounts which are material in the context of the issue of the Notes, nor, so far as each of the Issuers is aware, in any such litigation or arbitration involving it pending or threatened.

6. The issuance of the Notes is expected to be authorized by the Board of Directors of the Issuer by resolution passed on or prior to the Closing Date. The issuance of the Notes is expected to be authorized by the sole Director of the Co-Issuer by resolution on or about April 25, 2007.

7. The Notes sold in offshore transactions in reliance on Regulation S under the Securities Act represented by Regulation S Global Notes have been accepted for clearance through Clearstream and Euroclear. The Co-Issued Notes sold to U.S. Persons that are Qualified Institutional Buyers/Qualified Purchasers under the Securities Act represented by Rule 144A Global Notes have been accepted for clearance through DTC. The CUSIP Numbers, Common Codes and International Securities Identification Numbers (ISIN) for the Co-Issued Notes represented by Rule 144A Global Notes and Regulation S Global Notes are as indicated in the chart "Summary—Notes", as applicable.

8. For so long as any of the Notes are listed on any stock exchange and the rules of such stock exchange shall so require, the Issuer will inform such stock exchange in accordance with its procedures, if the ratings assigned to any of the Notes are reduced or withdrawn.

9. The Issuers do not intend to publish annual reports and accounts. The indenture, however, requires the Issuers to provide written notification to the Trustee on an annual basis that no Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

LEGAL MATTERS

Certain legal matters will be passed upon for the Issuers and the Initial Purchaser by McKee Nelson LLP, New York, New York. Certain matters with respect to Cayman Islands corporate law and tax law will be passed upon for the Issuer by Maples and Calder, George Town, Grand Cayman, Cayman Islands. Certain legal matters will be passed upon for the Portfolio Selection Agent by Schulte Roth & Zabel LLP, New York, New York.
GLOSSARY OF DEFINED TERMS

"ABS Aircraft Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from leases and subleases of aircraft, vessels and telecommunications equipment to businesses for use in the provisions of goods or services to consumers, the military or the government, generally having the following characteristics: (1) the leases and subleases having varying contractual maturities; (2) the leases or subleases are obligations of a relatively limited number of obligors and accordingly represent an undivided pool of obligor credit risk; (3) the repayment stream on such leases and subleases is primarily determined by a contractual payment schedule, with early termination of such leases and subleases predominantly dependent upon the disposition to a lessee, sublessee or third party or the underlying equipment; (4) such leases or subleases typically provide for the right of the lessee or sublessee to purchase the equipment for its stated residual value, subject to payments at the end of the lease term for excess usage or wear and tear; and (5) the obligations of the lessors or sublessors may be secured not only by the leased equipment but also by other assets of the lessor, sublessee or guarantees granted by third parties; provided that any security falling within this definition will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.

"ABS Automobile Securities": Securities, other than ABS Subprime Auto Securities, that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on:

1. the cash flow from installment sale loans made to finance the purchase of, or from leases of, automobiles or light duty trucks or medium duty trucks, generally having the following characteristics:

   (i) the loans or leases may have varying contractual maturities;
   (ii) the loans or leases are obligations of numerous borrowers or lessees and accordingly represent a diversified pool of obligor credit risk;
   (iii) the repayment stream on such loans or leases is primarily determined by a contractual payment schedule, with early repayment on such loans or leases predominantly dependent upon the disposition of the underlying vehicle; and
   (iv) such leases typically provide for the right of the lessee to purchase the vehicle for its stated residual value and are subject to payments at the end of lease term for excess mileage or use in the event that the lessee does not exercise such purchase option; or

2. the cash flow from loans or leases made to finance the purchase of an automobile dealer's inventory, generally having the following characteristics:

   (i) the loans or leases may have varying contractual maturities;
   (ii) the repayment stream on such loans or leases is primarily determined by a contractual payment schedule, with early repayment on such loans or leases predominantly dependent upon the disposition of the underlying vehicle; and
   (iii) such leases typically provide for the right of the lessee to purchase the vehicle for its stated residual value and are subject to payments at the end of lease term for excess mileage or use in the event that the lessee does not exercise such purchase option.

Confidential Treatment Requested by Goldman Sachs
"ABS Car Rental Receivable Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from leases and subleases of vehicles to car rental companies and their franchisees, generally having the following characteristics: (1) the leases and subleases have varying contractual maturities; (2) the subleases are obligations of numerous franchisees and accordingly represent a diversified pool of obligor credit risk; (3) the repayment stream on such leases and subleases is primarily determined by a contractual payment schedule, with early termination of such leases and subleases predominantly dependent upon the disposition to a lessee or third party of the underlying vehicle; and (4) such leases or subleases typically provide for the right of the lessor or sublessor to purchase the vehicle for its stated residual value and are subject to payments at the end of lease term for excess mileage or use in the event that the lessee or sublessee does not exercise such purchase option.

"ABS Credit Card Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from balances outstanding under revolving consumer credit card accounts, generally having the following characteristics:

(i) the accounts have standardized payment terms and require minimum monthly payments;

(ii) the balances are obligations of numerous borrowers and accordingly represent a diversified pool of obligor credit risk; and

(iii) the repayment stream on such balances does not depend upon a contractual payment schedule, with repayment depending primarily on interest rates, availability of credit against a maximum credit limit and general economic matters.

"ABS Future Flow Securities": Securities that are financings by companies that export products and involve securitizations of offshore U.S. Dollar-denominated receivables under contracts with foreign buyers or from sales through an established market pursuant to which cash generated from the existing and future receivables is captured, typically paid to a trust or collateral account in the United States and is used to service the debt evidenced by such securities. In a typical existing and future receivables transaction, the originator of the receivables establishes a limited purpose financing vehicle that issues such securities. The originator receives the issuance proceeds and may use these funds for general corporate purposes. ABS Future Flow Securities are generally backed by one or more contracts requiring the originator to generate the receivables backing the securities. In such a situation, if the receivables are not generated or if insufficient amounts of receivables are generated, holders of such securities may not receive the payments they are owed. Sectors of receivables in future receivables transactions are frequently in countries with low credit ratings. ABS Future Flow Securities may achieve a rating above the target country sovereign rating of such company's country of domicile, thereby enabling the originator to obtain financing at a relatively lower cost than traditional loans or direct issuance of bonds by the originator. The determination of whether an ABS Future Flow Security shall be classified as an Excluded Specified Type shall be made by reference to the types of receivables expected to be generated. Any ABS Future Flow Security so classified as an Excluded Specified Type will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.

"ABS Health Care Receivable Securities": Securities other than ABS Small Business Loan Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from leases and subleases of equipment to hospitals, non-hospital medical facilities, physicians and physician groups for use in the provision of healthcare services, generally having the following characteristics: (1) the leases and subleases have varying contractual maturities; (2) the leases or subleases are obligations of a relatively limited number of obligors and accordingly represent the
undiversified pool of obligor credit risk; (3) the repayment stream on such leases and subleases is primarily determined by a contractual payment schedule, with early termination of such leases and subleases predominantly dependent upon the disposition to a lessee, sublessee or third party of the underlying equipment; and (4) such leases or subleases typically provide for the right of the lessee or sublessee to purchase the equipment for its stated residual value, provided that any security falling within this definition will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.

"ABS Mutual Fund Fee Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from a pool of brokerage fees and costs relating to various mutual funds, generally having the following characteristics: (1) the brokerage fees and costs have standardized terms; (2) the brokerage fees and costs arise out of numerous mutual funds and accordingly represent a diversified pool of credit risk; and (3) the collection of brokerage fees and costs can vary substantially from the contractual payment schedule (if any), with the collection depending on numerous factors specific to the particular mutual funds and general economic matters, provided that any security falling within this definition will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.


"ABS Small Business Loan Securities": Securities that entitle holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from general purpose loans made to "small business concerns" generally within the meaning given to such term by regulations of the United States Small Business Administration, including but not limited to (those (a) made pursuant to Section 7(a) of the United States Small Business Act, as amended, and (b) partially guaranteed by the United States Small Business Administration, generally have the following characteristics:

(i) the loans have payment terms that comply with any applicable requirements of the United States Small Business Act, as amended;
(ii) the loans are obligations of a relatively limited number of borrowers and accordingly represent an undiversified pool of obligor credit risk; and
(iii) repayment thereof can vary substantially from the contractual payment schedule (if any), with early repayment of individual loans depending on numerous factors specific to the particular obligors and upon whether, in the case of loans bearing interest at a fixed rate, such loans or securities include an effective prepayment premium.

"ABS Structured Settlement Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from receivables representing the right of litigation claimants to receive future settlement payments under a settlement agreement that are funded by an annuity contract, provided that any security falling within this definition will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.

"ABS Student Loan Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from a pool of student loan receivables, generally having the following characteristics: (1) the student loan receivables have standardized terms; (2) the student loan receivables arise out of numerous students and accordingly represent a diversified pool of credit risk; and (3) the cash flow from the student loan receivables can vary substantially from the contractual payment schedule (if any), with the cash flow depending on numerous factors specific to the particular students and general economic matters, provided that any security falling within this definition will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.
proceeds to holders of such securities) on the cash flow from loans made to students (or their parents) to finance educational needs.

"ABS Subprime Auto Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from subprime installment sale loans made to finance the acquisition of, or from leases of, automobiles, generally having the following characteristics: (1) the loans or leases may have varying contractual maturities; (2) the loans or leases are obligations of numerous borrowers or lessees and accordingly represent a diversified pool of obligor credit risk; (3) the borrowers or lessees under the loans or leases generally have a poor credit rating; (4) the repayment stream on such loans or leases is primarily determined by a contractual payment schedule, with early repayment on such loans or leases predominately dependent upon the disposition of the underlying vehicle; and (5) such leases typically provide for the right of the lessee to purchase the vehicle for its stated residual value and are subject to payments at the end of the lease term for excess mileage or use in the event that the lessee does not exercise such purchase option; provided that any security falling within this definition will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.

"ABS Tax Lien Securities": Securities that entitle the holders thereof to receive payment that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from a pool of tax obligations owed by businesses and individuals to state and municipal governmental taxing authorities, generally having the following characteristics: (1) the tax obligations are obligations of numerous borrowers and accordingly represent a diversified pool of obligor credit risk; and (2) the repayment stream on the obligation is primarily determined by a payment schedule entered into between the relevant taxing authority and obligor, with early repayment on such obligation predominately dependent upon interest rates and the income of the obligor following the commencement of amortization; provided that any security falling within this definition will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.

"ABS Timeshare Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from borrowers under timeshare mortgage loans. Timeshare mortgage loans are generally fixed-rate, fully amortizing loans that are secured by first mortgage liens on timeshare estates. A timeshare estate consists of an interval (generally measured in weeks) in vacation ownership of fully furnished vacation units or apartments. Usage and ownership is generally divided into 52 one-week intervals, with one or two weeks reserved for maintenance. Ownership can also be through undivided fee simple interests ("UDIs") in a group of units. Owners become tenants in common with other owners of undivided interests, with "use" rights which allow more flexibility in terms of length and timing of stay than fixed week intervals, as purchasers are not restricted to fixed week usage. Any security falling within this definition will be excluded from the definition of "Structured Product Security" (unless it is a Wrapped Security) and each other Excluded Specified Type.

"Actual Principal Amount": With respect to any Reference Obligation and its applicable Final Amortization Date or Legal Final Maturity Date, an amount paid on such day by or on behalf of the related Reference Entity in respect of principal (excluding any amounts representing capitalized interest that relates to the term of the Credit Default Swap) to the holder(s) of such Reference Obligation in respect of such Reference Obligation.

"Actual Rating": With respect to any Obligation, the actual expressly monitored outstanding rating assigned by a Rating Agency, without reference to any other rating by another Rating Agency and which rating by its terms addresses the full scope of the payment promise of the obligor on such Obligation, after taking into account any applicable guarantee or insurance policy or if no such rating is available from a Rating Agency, any "credit estimate" or "shadow rating" assigned by such Rating Agency.

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918170
Agency, as applicable. For purposes of this definition, the rating of a RMBS Agency Security shall be the rating assigned by a Rating Agency to the agency that guarantees such RMBS Agency Security.

"Administrative Expense Cap": On any Payment Date, $20,000.

"Administrative Expenses": Amounts due or accrued with respect to any Payment Date (which shall be payable in the following order) to:

(i) any Person not listed in subclause (i) through (vi) below in respect of any governmental fee, including all filing, registration and escrow return fees payable to the Cayman Islands government and registered office fees, charges or tax (other than withholding taxes);

(ii) the Trustee, its fees pursuant to the Indenture;

(iii) to the Trustee, its expenses pursuant to the Indenture;

(iv) to the Issuing and Paying Agent, its fees pursuant to the Issuing and Paying Agency Agreement;

(v) to the Issuing and Paying Agent, its expenses pursuant to the Issuing and Paying Agency Agreement;

(vi) pro rata to:

(a) the Collateral Administrator under the Collateral Administration Agreement;

(b) the independent accountants, agents and counsel of the Issuer for fees, including retainers, and expenses;

(c) the Rating Agencies for fees and expenses in connection with ratings of the Notes, ongoing surveillance of such ratings and the provision of credit estimates; and

(d) any other Person in respect of any other reasonable fees, costs, indemnities or expenses of the Issuer not prohibited under the Indenture (including, without limitation, any monies owed to the Portfolio Selection Agent under the Portfolio Selection Agreement and the Administrator under the Administration Agreement and registered office fees) and any reports and documents delivered pursuant to or in connection with the Indenture and the Notes.

"Adverse Tax Event": The adoption of, or a change in, any tax statute (including the Code), treaty, regulation (whether proposed, temporary or final), rule, ruling, practice, procedure or judicial decision or interpretation which results or will result in (a) reducing monies received by the Issuer from the Issuer Assets or (b) the payments due on the Notes or pursuant to the Basis Swap, the Collateral Put Agreement or the Credit Default Swap becoming properly subject to the imposition of U.S. or other withholding tax.

"Affiliate" or "Affiliated": With respect to a Person, (i) any other Person who, directly or indirectly, is in control of, controls or is under common control with, such Person or (ii) any other Person who is a director, officer or employee (a) of such Person, (b) of any subsidiary or parent company of such Person or (c) of any Person described in subclause (i) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, to vote more than 50% of the securities having ordinary voting power for the election of directors of any such Person or (ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise. With respect
Footnote Exhibits - Page 4951

880

to the issuers, this definition shall exclude the Administrator and any other special purpose vehicle to which the Administrator is or will be providing administrative services or acting as share trustee.


“Aggregate Implied Writedown Amount”: With respect to any Reference Obligation, the greater of (i) zero and (ii) the aggregate of all Implied Writedown Amounts with respect to such Reference Obligation minus the aggregate of all Implied Writedown Reimbursement Amounts with respect to such Reference Obligation.

“Aggregate USD Equivalent Outstanding Amount”: When used with respect to any or all of the Notes, the aggregate principal amount of such Notes Outstanding on the date of determination; provided that, with respect to any Notes denominated in any Approved Currency other than Dollars, the Aggregate USD Equivalent Outstanding Amount of such Notes will equal the USD Equivalent of the Currency Adjusted Aggregate Outstanding Amount of such Notes.

“Alternative Debt Test”: A test that is satisfied with respect to a Collateral Security if, on the date such Collateral Security is included in the Collateral, each of the following is satisfied: (i) such Collateral Security is in the form of a note or other debt instrument and is treated as debt for corporate law purposes in the jurisdiction of the issuer of such Collateral Security, (ii) the documents pursuant to which such Collateral Security was offered, if any, do not require that any holder thereof treat such Collateral Security other than as debt for tax purposes, (iii) such Collateral Security bears interest at a fixed rate per annum or at a rate based upon a customary floating rate index plus or minus a spread, (iv) such Collateral Security has a fixed maturity occurring no later than the earliest Stated Maturity of any Series of Notes, (v) such Collateral Security has an Actual Rating or implied Rating of at least “BBB” by Moody’s, or at least “BBB-” by S&P or at least “BBB-” by Fitch as to ultimate payment of principal and interest and (vi) the issuer of such Collateral Security is treated as a corporation or grantor trust for U.S. federal income tax purposes; provided that, in the case of a Collateral Security, in the form of a beneficial interest in a trust that is treated (as evidenced by an opinion of counsel or a reference to an opinion of counsel in documents pursuant to which such Collateral Security was offered) as a grantor trust for U.S. federal income tax purposes (and not as a partnership or association taxable as a corporation), any of the conditions specified in clauses (i), (ii), (iii) and (iv) may be satisfied by reference to each asset held pursuant to such grantor trust arrangement rather than by reference to such beneficial ownership interests.

“Applicable Class Portfolio Selection Fee Rate”: With respect to (i) the Class A Notes, 0.25%; (ii) the Class A-2 Notes, 0.25%; (iii) the Class B Notes, 0.50%; (iv) the Class C Notes, 0.50%; and (v) the Class D Notes, 1.00%.

“Applicable Collateral Security Foreign Exchange Rate”: With respect to (i) a Collateral Security acquired with the proceeds of the offering of the Notes, or the receipt by the Issuer of an Additional Issuance Principal Amount or Currency Adjusted Reimbursement Amount, the Applicable Series Foreign Exchange Rate of the related Notes issued or reinstated, as applicable and (ii) a Supplemental Collateral Security acquired with any Collateral Security Amortization Amount, Excess Principal Amount or Excess Disposition Proceeds, the Applicable Collateral Security Foreign Exchange Rate of the Collateral Security with respect to which such Collateral Security Amortization Amount, Excess Principal Amount or Excess Disposition Proceeds was received by the Issuer.

“Applicable Index”: With respect to the Notes denominated in (i) AUD, AUD-LIBOR, (ii) CAD, CAD-LIBOR, (iii) Dollars, LIBOR, (iv) Euro, EUR/LIBOR, (v) NZD, NZD-BBB, (vi) Sterling, GBP-LIBOR and (vii) Yen, JPY-LIBOR.

133

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918172
"Applicable Index Determination Date": With respect to the determination of (i) LIBOR, JPY-
LIBOR and NZD-BOR, the second Business Day prior to the commencement of an Interest Accrual
Period; (ii) IBOR, the first day of an Interest Accrual Period; (iii) EURIBOR, the second TARGET
Settlement Day prior to the commencement of an Interest Accrual Period; and (iv) CAD-LIBOR and AUD-
LIBOR, the second London Banking Day prior to an Interest Accrual Period.

"Applicable Percentage": With respect to any Reference Obligation on any date, the ratio of (A)
the product of (a) the Initial Face Amount related to such Reference Obligation and (b) the Initial Factor
related to such Reference Obligation and (B) the product of (a) the Original Principal Amount related to
such Reference Obligation and (b) the Initial Factor related to such Reference Obligation (a) as increased
by the outstanding principal balance of any further issues by the related Reference Entity that are fungible
with and form part of the same legal series as such Reference Obligation; and (b) as decreased by any
cancellations of some or all of the Reference Obligation Outstanding Principal Amount resulting from
purchases of such Reference Obligation by or on behalf of the related Reference Entity.

"Applicable Period": With respect to (i) the first interest Accrual Period, the period from and
including the Closing Date to but excluding the first Payment Date and (ii) each Interest Accrual Period
thereafter, one month (except with respect to the last Applicable Period, to but excluding the Stated
Maturity).

"Applicable Series Foreign Exchange Rate": With respect to any Series of Notes denominated
in (a) an Approved Currency other than Dollars, the Spot FX Rate at the time of issuance of such Series of
Notes, as determined by the Credit Default Swap Calculation Agent and confirmed by the Collateral
Administrator and (b) Dollars, 100%.

"Applicable Spread": With respect to any Series of Notes issued on the Closing Date, the stated
spread above or below the related Applicable Index as set forth in the Indenture or the Issuing and Paying
Agency Agreement, as applicable, and on the related Notes, and with respect to any Series of Notes
issued after the Closing Date, as set forth in the related offering circular supplement and on the related
Notes.

"Approved Currency": Any of Australian Dollar, Canadian Dollar, Dollar, Euro, New Zealand
Dollar, Sterling or Yen.

"Approved Dealer": Any of the Persons set forth below or their affiliates (including the successor
to any such Person):

- ABN AMRO Bank N.V.;
- Banc of America Securities LLC;
- Barclays Bank PLC;
- BNP Paribas;
- Canadian Imperial Bank of Commerce;
- Citigroup, Inc.;
- Commerzbank AG;
- Countrywide Securities Corporation;
- Credit Suisse Group;
- Deutsche Bank AG;
- Dreidner Bank AG;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918173
Footnote Exhibits - Page 4953

First Tennessee Bank National Association;
Goldman, Sachs & Co.;
Greenwich Capital Markets, Inc.;
HSBC Bank plc;
JP Morgan Chase & Co.;
Legg Mason, Inc.;
Lehman Brothers, Inc.;
Merrill Lynch & Co., Inc.;
Morgan Stanley & Co., Inc.;
Nomura Securities Co., Ltd.;
Raymond James Financial, Inc.;
Société Générale Group;
TD Bank Financial Group;
UBS AG;
United Capital Markets Inc.;
Washington Mutual, Inc.; or
VestLB AG.

The list of Approved Dealers may be modified at any time by the Protection Buyer and the Portfolio Selection Agent upon mutual consent to such modification.

"Asset-Backed Securities" or "ABS": ABS Credit Card Securities, ABS Automobile Securities, ABS Car Rental Receivable Securities, ABS Small Business Loan Securities, ABS Student Loan Securities or ABS Other Securities, excluding, in each case, any securities that belong to an Excluded Specified Type.

"AUD-LIBOR": An amount determined only with respect to any Applicable Period for which Notes denominated in Australian Dollars are Outstanding. For purposes of calculating the Series Interest Rates for each Applicable Period, AUD-LIBOR shall equal AUD-LIBOR as used in the calculation of the Monthly Basis Swap Payment for such Applicable Period. For purposes of calculating the Monthly Basis Swap Payment for each Applicable Period, AUD-LIBOR shall be calculated by the Basis Swap Calculation Agent as follows:

(a) On each Applicable Index Determination Date, AUD-LIBOR shall equal the rate, as obtained by the Basis Swap Calculation Agent, for deposits in Australian Dollars for the Applicable Period which appears on the Telerate Page 3740 (as defined in the International Swaps and Derivatives Association, Inc. 2005 Interest Rate and Currency Exchange Definitions) or such page as may replace Telerate Page 3740, as of 11:00 a.m. (London time) on such Applicable Index Determination Date.

(b) If, on any Applicable Index Determination Date, such rate does not appear on Telerate Page 3740, or such page as may replace Telerate Page 3740, the Basis Swap Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to prime banks in the London interbank market for deposits in Australian Dollars for the Applicable Period in an amount determined by the Basis Swap Calculation Agent.

Confidential Treatment Requested by Goldman Sachs

GS MSS-E-001918174
Footnote Exhibits - Page 4954

Agent by reference to requests for quotations as of approximately 11:00 a.m. (London time) on the Applicable Index Determination Date made by the Basis Swap Calculation Agent to the Reference Banks. If, on any Applicable Index Determination Date, at least two of the Reference Banks provide such quotations, AUD-LIBOR shall equal the arithmetic mean of such quotations. If, on any Applicable Index Determination Date, only one or none of the Reference Banks provides such quotations, AUD-LIBOR shall be deemed to be the arithmetic mean of the rates quoted by major banks in Sydney selected by the Basis Swap Calculation Agent, at approximately 11:00 a.m. (Sydney time) are quoting on the relevant Applicable Index Determination Date for loans in Australian Dollars for the Applicable Period in an amount determined by the Basis Swap Calculation Agent equal to an amount that is representative for a single transaction in such market at such time to leading European banks; provided, however, that if the Basis Swap Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, AUD-LIBOR shall be AUD-LIBOR as determined on the most recent date AUD-LIBOR was available. As used herein, "Reference Banks" means four major banks in the London Interbank market selected by the Basis Swap Calculation Agent.

c. The Basis Swap Calculation Agent shall provide AUD-LIBOR to the Note Calculation Agent as promptly as practicable following the determination thereof. As soon as possible after 11:00 a.m. (New York time) on each Applicable Index Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following each Applicable Index Determination Date, the Note Calculation Agent will cause notice of the Series Interest Rates for the next Interest Accrual Period and the Series Interest Amounts (rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date to be communicated to the Issuers, the Trustee, the Issuing and Paying Agent, Euroclear, Clearstream and the paying agents. The Note Calculation Agent will also specify to the Issuers the quotations upon which the Series Interest Rates are based, and in any event the Note Calculation Agent shall notify the Issuers before 8:00 p.m. (New York time) on each Applicable Index Determination Date if it has not determined and is not in the process of determining the Series Interest Rates and the Series Interest Amounts, together with its reasons therefor.

"Australian Dollar," "A$" and "AUD": The lawful currency of Australia.

"Bank": LaSalle Bank National Association, a national banking association organized and existing under the laws of the United States of America, but in its individual capacity and not as Trustee or Issuing and Paying Agent, and any successor thereto.

"Bankruptcy Code": The United States Bankruptcy Code, Title 11 of the United States Code, as amended.

"Basis Swap Calculation Period": An Interest Accrual Period.

"Basis Swap Counterparty Credit Support Document": The meaning assigned to the term "Credit Support Document" in the Basis Swap and infi, the Guaranty dated as of the Closing Date by GS Group in favor of the Issuer as beneficiary thereof with respect to the obligations of the Basis Swap Counterparty under the Basis Swap.

"Basis Swap Counterparty Credit Support Provider": The meaning assigned to the term "Credit Support Provider" in the Basis Swap and infi, GS Group.

"Basis Swap Counterparty Default Termination Payment": Any Basis Swap Termination Payment required to be made by the Issuer to the Basis Swap Counterparty pursuant to the Basis Swap.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918175
Footnote Exhibits - Page 4955

in the event of a termination of the Basis Swap (i) in respect of which the Basis Swap Counterparty is the defaulting party, (ii) resulting from a downgrade of such Basis Swap Counterparty's credit rating or (iii) in which the Basis Swap Counterparty was the sole "Affected Party" (as such term is defined in the Basis Swap) (other than in connection with a "Tax Event" or "Negativity", in each case as defined in the Basis Swap).

"Basis Swap Early Termination": The occurrence of either a Basis Swap Event of Default or a Basis Swap Termination Event.

"Basis Swap Early Termination Date": An early termination date under the Basis Swap (other than as triggered by the Credit Default Swap or the Collateral Put Agreement).

"BIE Acceptance Notice": A notice from the Trustee or the Issuer and Paying Agent, as applicable, to an Originating Noteholder specifying (i) the BIE Collateral Security that will be substituted for the existing Collateral Security, (ii) each such Collateral Security to be substituted, (iii) the BIE Exercise Period, (iv) the BIE Transaction Cost, (v) the BIE Basis Swap Payment, (vi) account information of the Issuer for such Originating Noteholder to deliver such BIE Collateral Security to the Issuer and to present payment of the BIE Transaction Cost to the Issuer and (vii) account information for such Originating Noteholder to present payment of the BIE Basis Swap Payment to the Basis Swap Counterparty.

"BIE Basis Swap Payment": An amount equal to the greater of (i) the present value of (1) the Basis Swap Payments that the BIE Swap Counterparty would receive (assuming no substitution thereof described in subclause (ii) below occurs) and (2) the Basis Swap Payments that the BIE Swap Counterparty would receive (assuming that the BIE Collateral Securities identified in any related Collateral Security Substitution Request Notice have been substituted for the existing Collateral Securities identified therein) and (ii) zero.

"BIE Collateral Security": A Collateral Security that a Noteholder proposes to substitute for part or all of an existing Collateral Security pursuant to the Indenture.

"BIE Collateral Security Eligibility Criteria": (i) The Collateral Security Eligibility Criteria, (ii) the consent of each of the BIE Swap Counterparty, the Collateral Put Provider and the Protection Buyer (which consent not to be unreasonably withheld in each case), (iii) the Collateral Weighted Average Life Test, (iv) the par amount of all BIE Collateral Securities described in the related Collateral Security Substitution Request Notice must equal or exceed the par amount of all existing Collateral Securities proposed to be substituted, (v) the Collateral Security Quality Constraint and (vi) the Approved Currency in which the existing Collateral Securities proposed to be substituted are denominated.

"BIE Consent Solicitation": A notice from the Trustee or the Issuing and Paying Agent, as applicable, to each Noteholder, including the originating Noteholder, specifying (i) each Proposed New BIE Collateral Security and its par amount, (ii) each Collateral Security to be substituted and its par amount, and (iii) the BIE Notification Date.

"BIE Exercise Period": The period from and including the delivery of a BIE Acceptance Notice to and excluding the day that is three Business Days thereafter.

"BIE Notification Date": The Business Day by which a Noteholder must respond to a BIE Consent Solicitation, which date shall be 20 Business Days from the date of such BIE Consent Solicitation.

"BIE Transaction Cost": An amount, as determined by the Trustee, equal to the aggregate amount of the expenses of the Issuer and the Trustee that would be incurred as a result of the proposed substitution of each BIE Collateral Security for part or all of an existing BIE Collateral Security.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918170
"Business Day": Any day other than (i) Saturday or Sunday or (ii) a day on which commercial banking institutions are authorized by law, regulation or executive order to close in New York, New York, in Chicago, Illinois or in a State of the United States, Paying and Transfer Agent has been appointed and action is required of the Listing, Paying and Transfer Agent, the location of the Listing, Paying and Transfer Agent (with respect to the obligations of such Listing, Paying and Transfer Agent only), provided, however, that for the sole purpose of calculating the Series Interest Rates for the relevant place of presentation, "Business Day" shall be defined as (i) with respect to the determination of LIBOR, any day on which dealings in deposits in Dollars are transacted in the London interbank market, (ii) with respect to the determination of EURIBOR, a day on which the TARGET System is available for settlement of Euro payments, (iii) with respect to the determination of GBP-LIBOR, any day on which dealings in deposits in Sterling are transacted in the London interbank market, (iv) with respect to the determination of JPY-LIBOR, any day on which dealings in deposits in Yen are transacted in the London interbank market, (v) with respect to the determination of AUD-LIBOR, any day on which dealings in deposits in AUD are transacted in the London interbank market, (vi) with respect to the determination of CAD-LIBOR, any day on which dealings in CAD are transacted in the London interbank market and (vii) with respect to the determination of NZD-IBOR, any day on which dealings in deposits in NZD are transacted in the London interbank market.

"CAD-LIBOR": An amount determined only with respect to any Applicable Period for which Notes denominated in Canadian Dollars are outstanding. For purposes of calculating the Series Interest Rates for each Applicable Period, CAD-LIBOR shall equal CAD-LIBOR as used in the calculation of the Monthly Basis Swap Payment for such Applicable Period. For purposes of calculating the Monthly Basis Swap Payment for such Applicable Period, CAD-LIBOR shall be calculated by the Basis Swap Calculation Agent as follows:

(a) On each Applicable Index Determination Date, CAD-LIBOR shall equal the rate, as obtained by the Basis Swap Calculation Agent, for deposits in Canadian Dollars for the Applicable Period which appears on the Teletrader Page 3740 (as defined in the International Swaps and Derivatives Association, Inc. 2000 Interest Rate and Currency Exchange Definitions), or such page as may replace Teletrader Page 3740, as of 11:00 a.m. (London time) on such Applicable Index Determination Date.

(b) If, on any Applicable Index Determination Date, such rate does not appear on Teletrader Page 3740, or such page as may replace Teletrader Page 3740, the Basis Swap Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to prime banks in the London interbank market for deposits in Canadian Dollars for the Applicable Period in an amount determined by the Basis Swap Calculation Agent by reference to requests for quotations of approximately 11:00 a.m. (London time) on the Applicable Index Determination Date made by the Basis Swap Calculation Agent to the Reference Banks. If, on any Applicable Index Determination Date, at least two of the Reference Banks provide such quotations, CAD-LIBOR shall equal the arithmetic mean of such quotations. If, on any Applicable Index Determination Date, only one or none of the Reference Banks provides such quotations, CAD-LIBOR shall be the arithmetic mean of the rates quoted by major banks in Toronto selected by the Basis Swap Calculation Agent, at approximately 11:00 a.m. (Toronto time) on such Applicable Index Determination Date for loans in Canadian Dollars for the Applicable Period in an amount determined by the Basis Swap Calculation Agent equal to an amount that is representative for a single transaction in such market at such time to leading European banks; provided, however, that if the Basis Swap Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, CAD-LIBOR shall be CAD-LIBOR as determined on the most recent date CAD-LIBOR was available. As used herein, "Reference Banks" means four major banks in the London interbank market selected by the Basis Swap Calculation Agent.
Footnote Exhibits - Page 4957

(c) The Basis Swap Calculation Agent shall provide CAD-LIBOR to the Note Calculation Agent as promptly as practicable following the determination thereof. As soon as possible after 11:00 a.m. (New York time) on each Applicable Index Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following each Applicable Index Determination Date, the Note Calculation Agent will cause notice of the Series Interest Rates for the next Interest Accrual Period and the Series Interest Amounts (rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date to be communicated to the Issuers, the Trustee, the Issuing and Paying Agent, Euroclear, Clearstream and the paying agents. The Note Calculation Agent will also specify to the Issuers the quotations upon which the Series Interest Rates are based, and in any event the Note Calculation Agent shall notify the Issuers before 5:00 p.m. (New York time) on each Applicable Index Determination Date if it has not determined and is not in the process of determining the Series Interest Rates and the Series Interest Amounts, together with its reasons therefor.

*Canadian Dollar*, *$US* or *CAD*: The legal currency of Canada.

*Cash*: Such coin or currency of the United States of America, countries of the European Economic and Monetary Union who have adopted the Euro currency, Great Britain, Japan, Australia, New Zealand or Canada, as the case may be, as at the time shall be legal tender for payment of all public and private debts.

*CDO Cashflow Securities*: Collaterlized debt obligations, collateralized bond obligations or CLO Securities, including CDO Structured Product Securities, CDO Mortgage-Backed Securities and CDO Commercial Real Estate Securities, but, in each case, excluding any securities that belong to an Excluded Specified Type.

*CDO Commercial Real Estate Securities*: CDO Cashflow Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from (and not the market value of) a portfolio of at least 80% by principal balance of CMBS and/or REIT Debt Securities.

*CDO Corporate Bond Securities*: CDO Cashflow Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from (and not the market value of) a portfolio of primarily high yield or investment grade bonds.

*CDO Emerging Market Securities*: CDO Cashflow Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from (and not the market value of) a portfolio of investments, of which more than 20% are issued by issuers located in Emerging Market Countries.

*CDO Market Value Securities*: Collaterlized debt obligations, whose overcollateralization is measured with reference to the market value of the collateral portfolio securing such collateralized debt obligations.

*CDO Mortgage-Backed Securities*: CDO Cashflow Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from (and not the market value of) a portfolio of at least 80% by principal balance of Mortgage-Backed Securities.
"CDO Single-Tranche Synthetic Securities": Any CDO Structured Product Security for which (i) the spread component of the interest payment related to such security is generally provided for by a tranched credit default swap with attachment and exhaustion points under which the related obligor has written credit protection and (ii) the obligor of which issues an aggregate principal amount of liabilities less than the reference portfolio notional amount under the related tranched credit default swap.

"CDO Structured Product Securities": CDO Cashflow Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from a portfolio diversified among categories of REIT Debt Securities, Asset-Backed Securities, Commercial Mortgage-Backed Securities, Residential Mortgage-Backed Securities or CDO Cashflow Securities or any combination of more than one of the foregoing, where exposure to such asset classes in the portfolio is either actual or synthetic, or solely of CDO Cashflow Securities (and which in any such case may include limited amounts of Corporate Securities), generally having the following characteristics:

(i) repayment thereof can vary substantially from the contractual payment schedule (if any), with early prepayment of individual debt securities depending on numerous factors specific to the particular issuer or obligor and upon whether, in the case of loans or securities bearing interest at a fixed rate, such loans or securities include an effective prepayment premium, and

(ii) proceeds from such repayments can be for a limited period and subject to compliance with certain eligibility criteria be reinvested in additional loans or debt securities.

"CDO Trust Preferred Securities": Collateralized debt obligations backed primarily by a pool of either (a) bank trust preferred securities, (b) insurance trust preferred securities or (c) REIT Debt Securities that are trust preferred securities.

*Class*: All of the Notes having the same priority.

*Class A Notes*: Collectively, the Class A-1 Notes and the Class A-2 Notes.

*Class A-1 Notes*: The Class A-1 Variable Rate Notes, including any additional such Notes issued pursuant to the terms of the indenture and having the applicable Series Interest Rate and Stated Maturity, in each case (with respect to any Series of Class A-1 Notes issued on the Closing Date) as set forth under "Summary—Notes" or (with respect to any Series of Class A-1 Notes issued after the Closing Date) as set forth in the related offering circular supplement.

*Class A-2 Notes*: The Class A-2 Variable Rate Notes, including any additional such Notes issued pursuant to the terms of the indenture and having the applicable Series Interest Rate and Stated Maturity, in each case (with respect to any Series of Class A-2 Notes issued on the Closing Date) as set forth under "Summary—Notes" or (with respect to any Series of Class A-2 Notes issued after the Closing Date) as set forth in the related offering circular supplement.

*Class B Notes*: The Class B Variable Rate Notes, including any additional such Notes issued pursuant to the terms of the indenture and having the applicable Series Interest Rate and Stated Maturity, in each case (with respect to any Series of Class B Notes issued on the Closing Date) as set forth under "Summary—Notes" or (with respect to any Series of Class B Notes issued after the Closing Date) as set forth in the related offering circular supplement.

*Class C Notes*: The Class C Variable Rate Notes, including any additional such Notes issued pursuant to the terms of the indenture and having the applicable Series Interest Rate and Stated Maturity, in each case (with respect to any Series of Class C Notes issued on the Closing Date) as set forth under "Summary—Notes" or (with respect to any Series of Class C Notes issued after the Closing Date) as set forth in the related offering circular supplement.
the Closing Date) as set forth under "Summary—Notes" or (with respect to any Series of Class C Notes issued after the Closing Date) as set forth in the related offering circular supplement.

"Class D Notes": The Class D Variable Rate Notes, including any additional such Notes issued pursuant to the terms of the Issuing and Paying Agency Agreement and having the applicable Series Interest Rate and Stated Maturity, in each case (with respect to any Series of Class D Notes issued on the Closing Date) as set forth under "Summary—Notes" or (with respect to any Series of Class D Notes issued after the Closing Date) as set forth in the related offering circular supplement.

"Class FL Notes": The Class FL Variable Rate Notes, including any additional such Notes issued pursuant to the terms of the Issuing and Paying Agency Agreement and having the applicable Series Interest Rate and Stated Maturity, in each case (with respect to any Series of Class FL Notes issued on the Closing Date) as set forth under "Summary—Notes" or (with respect to any Series of Class FL Notes issued after the Closing Date) as set forth in the related offering circular supplement.

"Class SS Notes": The Class SS Variable Rate Notes, including any additional such Notes issued pursuant to the terms of the Indenture and having the applicable Series Interest Rate and Stated Maturity, in each case (with respect to any Series of Class SS Notes issued on the Closing Date) as set forth under "Summary—Notes" or (with respect to any Series of Class SS Notes issued after the Closing Date) as set forth in the related offering circular supplement.

"Class Interest Distribution Amount": With respect to any Class of Notes on any Payment Date, the aggregate of the Interest Distribution Amounts with respect to each Payment Date for each Series of Notes of such Class.

"Class Notional Amount": With respect to any Class of Notes on the Closing Date, the initial Class Notional Amount of such Class of Notes; thereafter it will be increased or decreased as described under "Summary—Decrease in the Class Notional Amount of each Class of Notes" and "Summary—Increase in the Class Notional Amount of each Class of Notes".

"Clearing Agencies": Collectively, DTC, Euroclear and Clearstream.

"Clearstream": Clearstream Banking, société anonyme, a corporation organized under the laws of the Grand Duchy of Luxembourg.

"CLO Securities": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from (and not the market value of) a portfolio of primary loans.

"Closing Date": April 28, 2007.

"CMBS Conduit Securities": Commercial Mortgage-Backed Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage-Backed Securities) on the cash flow from a pool of commercial mortgage loans, generally having the following characteristics:

(i) the commercial mortgage loans have varying contractual maturities;

(ii) the commercial mortgage loans are secured by real property purchased or improved with the proceeds thereof (or to refinance an outstanding loan the proceeds of which were so used);
889

Footnote Exhibits - Page 4980

(s) the commercial mortgage loans are obligations of a relatively limited number of obligors and accordingly represent a relatively undiversified pool of obligor credit risk; and

(vi) repayment thereof can vary substantially from the contractual payment schedule (if any), with early repayment of individual loans depending on numerous factors specific to the particular obligors; however, in the case of loans bearing interest at a fixed rate, such loans or securities typically include significant or complete prepayment protection.

"CMBS Credit Tenant Lease Securities": Commercial Mortgage-Backed Securities (other than CMBS Large Loan Securities and CMBS Conduit Securities) that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage-Backed Securities) on the cash flow from a pool of commercial mortgage loans made to finance the acquisition, construction and improvement of properties leased to corporate tenants (or on the cash flow from such leases), generally have the following characteristics:

(i) the commercial mortgage loans or leases have varying contractual maturities;

(ii) the commercial mortgage loans are secured by real property purchased or improved with the proceeds thereof (or to refinance an outstanding loan on the proceeds of which were so used);

(iii) the leases are secured by leasehold interests;

(iv) the commercial mortgage loans or leases are obligations of a relatively limited number of obligors and accordingly represent a relatively undiversified pool of obligor credit risk;

(v) repayment thereof can vary substantially from the contractual payment schedule (if any), with prepayment of individual loans or termination of leases depending on numerous factors specific to the particular obligors or leases and upon whether, in the case of loans bearing interest at a fixed rate, such loans include an effective prepayment premium; and

(vi) the creditworthiness of such corporate tenants is an important factor in any decision to invest in these securities.

"CMBS Franchise Securities": Commercial Mortgage-Backed Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage-Backed Securities) on the cash flow from (a) a pool of franchise loans made to operators of franchises that provide oil, gasoline, restaurant or food services and provide other services related thereto and (b) leases or subleases of equipment to such operators for use in the provision of such goods and services. Such securities generally have the following characteristics:

(i) the loans, leases or subleases have varying contractual maturities;

(ii) the loans are secured by real property purchased or improved with the proceeds thereof (or to refinance an outstanding loan the proceeds of which were so used);

(iii) the obligations of the lessors or sublessors of the equipment may be secured not only by the leased equipment but also the related real estate;

(iv) the loans, leases and subleases are obligations of a relatively limited number of obligors and accordingly represent a relatively undiversified pool of obligor credit risk;
Footnote Exhibits - Page 4961

(v) payment of the loans can vary substantially from the contractual payment schedule (if any), with prepayment of individual loans depending on numerous factors specific to the particular obligors and upon whether, in the case of loans bearing interest at a fixed rate, such loans include an effective prepayment premium.

(vi) the repayment stream on the leases and subleases is primarily determined by a contractual payment schedule, with early termination of such leases and subleases predeterminately dependent upon the disposition to a lessee, a sublessee or third party of the underlying equipment; and

(vii) such leases and subleases typically provide for the right of the lessee or sublessee to purchase the equipment for its stated residual value.

"CMBS Large Loan Securities": Commercial Mortgage-Backed Securities (other than CMBS Conduit Securities and CMBS Credit Tenant Lease Securities) that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage-Backed Securities) on the cash flow from a commercial mortgage loan or a pool of commercial mortgage loans made to finance the acquisition, construction and improvement of properties, generally having the following characteristics:

(i) the commercial mortgage loans have varying contractual maturities;

(ii) the commercial mortgage loans are secured by real property purchased or improved with the proceeds thereof (or to refinance an outstanding loan the proceeds of which were so used);

(iii) the commercial mortgage loans are obligations of a limited number of obligors and accordingly represent a relatively undiversified pool of obligor credit risk (including in comparison to CMBS Conduit Securities);

(iv) repayment thereof can vary substantially from the contractual payment schedule (if any), with early prepayment of individual loans depending on numerous factors specific to the particular obligors and upon whether, in the case of loans bearing interest at a fixed rate, such loans or securities include an effective prepayment premium;

(v) the valuation of individual properties securing the commercial mortgage loans is the primary factor in any decision to invest in these securities; and

(vi) the commercial mortgage loans have relatively large average balances (including in comparison to RMBS).

"CMBS RE-REMIC Securities": Securities that represent an interest in a real estate mortgage investment conduit backed by CMBS.

"Co-Issued Notes": Collectively, the Class SS Notes and the Class A-1 Notes.

"Collateral": Collectively, the Collateral Securities and the Eligible Investments.

"Collateral Account": The segregated trust account into which the Issuer shall, from time to time, deposit Issuer Assets.

"Collateral Administration Agreement": The Collateral Administration Agreement, dated as of the Closing Date, between the Issuer and the Collateral Administrator.
"Collateral Administrator": LaSalle Bank National Association, solely in its capacity as Collateral Administrator under the Collateral Administration Agreement, until a successor Person shall have become the Collateral Administrator pursuant to the applicable provisions of the Collateral Administration Agreement, and thereafter "Collateral Administrator" shall mean such successor Person.

"Collateral Default": An event of default (as defined in the related Underlying Instruments) which has (i) occurred and is continuing with respect to any of the Collateral (other than a Collateral Security that has been purchased with Excess Disposition Proceeds only and which at the time of its acquisition did not satisfy the requirements set forth in the Collateral Security Eligibility Criteria) and (ii) if the related Underlying Instruments require an acceleration to occur following an event of default (as defined in the relevant Underlying Instruments) in order to liquidate the related underlying collateral, resulted in such acceleration.

"Collateral Put Agreement Early Termination": The occurrence of either a Collateral Put Agreement Event of Default or a Collateral Put Agreement Termination Event.

"Collateral Put Agreement Early Termination Date": An early termination date under the Collateral Put Agreement (other than as triggered by the Credit Default Swap or the Basis Swap).

"Collateral Put Provider Credit Support Document": The meaning assigned to the term "Credit Support Document" in the Collateral Put Agreement and initially, the guaranty dated as of the Closing Date by GS Group with respect to the obligations of the Collateral Put Provider under the Collateral Put Agreement.

"Collateral Put Provider Credit Support Provider": The meaning assigned to the term "Collateral Put Provider Credit Support Document" in the Collateral Put Agreement and initially, GS Group.

"Collateral Security Substitution Information Notice": A notice from the Trustee or the Issuing and Paying Agent, as applicable, to an Originating Noteholder notifying such Originating Noteholder that (i) each Proposed New BIE Collateral Security identified in the related Collateral Security Substitution Request Notice is an Eligible BIE Collateral Security and (ii) the BIE Transaction Cost and the BIE Basis Swap Payment relating to such Proposed New BIE Collateral Security.

"Collateral Security Substitution Noteholder Refusal Notice": A notice from the Trustee or the Issuing and Paying Agent, as applicable, to an Originating Noteholder notifying such Originating Noteholder that the Holders of a Majority of the Aggregate USD Equivalent Outstanding Amount of the Notes voting as a single class did not approve the Proposed New BIE Collateral Security by the BIE Notification Date.

"Collateral Security Substitution Refusal Notice": A notice from the Trustee or the Issuing and Paying Agent, as applicable, to an Originating Noteholder notifying such Originating Noteholder that (i) each Proposed New BIE Collateral Security identified in the related Collateral Security Substitution Request Notice is an Eligible BIE Collateral Security, (ii) the identity of each Eligible BIE Collateral Security and (ii) the identity of each Proposed New BIE Collateral Security that is not an Eligible BIE Collateral Security.

"Collateral Security Substitution Request Notice": A notice from an Originating Noteholder to the Trustee or the Issuing and Paying Agent, as applicable, (i) requesting the substitution of one or more Proposed New BIE Collateral Securities for one or more existing Collateral Securities, (ii) identifying each Collateral Security and the par amount to be substituted, (iii) identifying each Proposed New BIE Collateral Security and the par amount and (iv) any other information that such Originating Noteholder deems relevant.

Confidential Treatment Requested by Goldman Sachs
"Commercial Mortgage-Backed Securities" or "CMBS". Securities that represent interests in, or enable holders thereof to receive payments that depend on the cashflow primarily from credit default swaps that reference, in each case, obligations (including certificates of participation in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers and shall include, without limitation, CMBS Conduit Securities, CMBS Credit Tenant Lease Securities, CMBS Franchises Securities, CMBS Large Loan Securities or CMBS RE-REMIC Securities, excluding, in each case, any securities that belong to an Excluded Specified Type.

"Common Depository": ABN AMRO Bank N.V. (London Branch) on behalf of Euroclear.

"Corporate Securities": Publicly issued or privately placed debt obligations of corporate issuers which are not REIT Debt Securities or Wrapped Securities.

"Credit Default Swap Early Termination Date": An early termination date under the Credit Default Swap (other than as triggered by the Basis Swap or the Collateral Put Agreement).

"Credit Default Swap Fixed Rate Payee Calculation Period": An interest accrual period.

"Credit Event Notice": An irrevocable notice that describes a Credit Event.

"Currency Adjusted Aggregate Outstanding Amount": The aggregate principal amount of such Notes when issued, as expressed in its currency of denomination and thereafter adjusted as described in "Summary—Decrease in the Currency Adjusted Aggregate Outstanding Amount of each Series of Notes" and "Summary—Increase in the Currency Adjusted Aggregate Outstanding Amount of each Series of Notes".

"Currency Adjusted Redemption Refund Adjustment Amount": Any Series of Notes' allocation of any Redemption Refund Adjustment Amount divided by the Applicable Series Foreign Exchange Rate.

"Current Dollar Price": For each Reference Obligation and at any time of determination, the product of (a) the Current Market Price for such Reference Obligation at such time and (b) the ICE Reference Obligation Notional Amount of such Reference Obligation at such time.

"Current Market Price": At any time of determination, with respect to a Reference Obligation, a percentage price determined by the Credit Default Swap Calculation Agent and confirmed by the Collateral Administrator by (a) using the pricing service used by the Collateral Administrator in its normal course of business for as long as the quote obtained from such pricing service has been provided by such pricing service within two Business Days of the time of such determination or (b) (i) if Subclause (a) above is not applicable, asking the Approved Dealers to quote the offered-side price (excluding accrued interest) for such Reference Obligation (in an amount equal to its Reference Obligation Notional Amount) and (ii) for so long as the Collateral Administrator is able to obtain one such quote from one such Approved Dealer, taking the arithmetic average of such quotations.

"Current Period Implied Withdrawal Amount": For each Reference Obligation, with respect to any Reference Obligation Calculation Period for such Reference Obligation, an amount determined as of the last day of such Reference Obligation Calculation Period equal to the greater of (i) zero and (ii) the product of (A) the implied Withdrawal Percentage and (B) the greater of (1) zero and (2) the lesser of (a) the Per Passu Amount and (b) the Per Passu Amount plus the Senior Amount minus the aggregate outstanding asset pool balance securing the payment obligations on such Reference Obligation (all such outstanding asset pool balances as obtained by the Credit Default Swap Calculation Agent from the most

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001919184
Footnote Exhibits - Page 4964

recently dated Servicer Report available as of such day), calculated based on the face amount of the assets (if in a trust pool or otherwise); whether or not any such asset is performing.

Day Count Fraction": With respect to Notes denominated in Australian Dollars, Canadian Dollars, New Zealand Dollars and Sterling, calculations will be based on the actual number of days in the calculation period in respect of which payment is being made divided by 365 (or, if any portion of the calculation period falls in a leap year, the sum of (i) the actual number of days in that portion of the calculation period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the calculation period falling in a non-leap year divided by 365) and (j) denominated in Dollars, Euros, Francs, Krons and Yen, calculations will be based on the actual number of days in the calculation period in respect of which payment is being made divided by 360.

"Defaulted Interest": Any interest due and payable in respect of any Note which is not punctually paid or duly provided for on the applicable Payment Date or at the Stated Maturity, as the case may be.

"Determination Date": With respect to a Payment Date, the last Business Day of the immediately preceding Due Period.

"Disposition Proceeds": All Sale Proceeds and Put Proceeds.

"Distribution": Any payment of principal or interest or any dividend, premium or fee payment made on, or any other distribution in respect of, a security or obligation.

"Dollar": A dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for all debts, public and private.

"DTC": The Depository Trust Company, its nominees, and their respective successors.

"Due Period": With respect to any Payment Date or the Mandatory Redemption Date, the period commencing on the day immediately following the fifth Business Day prior to the preceding Payment Date (or, in the case of the Due Period relating to the first Payment Date, beginning on the Closing Date) and ending on (and including) the fifth Business Day prior to such Payment Date (or, in the case of a Due Period that is applicable to the Payment Date relating to the Stated Maturity of any Notes, on the Optional Redemption Date, a Partial Optional Redemption Date or the Mandatory Redemption Date, as the case may be, ending on (and including) the Business Day immediately preceding such Payment Date or Mandatory Redemption Date, as the case may be).

"Eligible BIE Collateral Security": A Proposed New BIE Collateral Security that satisfies the BIE Collateral security Eligibility Criteria.

"Eligible Country": Any country of the European Economic and Monetary Union that has adopted the Euro currency that has long-term sovereign debt obligations rated at least "AAA" by Moody's (or "AA+" in the case of Italy) and for which such country has been assigned a foreign currency issuer credit rating of "AAA" by S&P.

"Eligible Investment": Any investment denominated in an Approved Currency that, at the time it is delivered to the Trustee, is one or more of the following obligations or securities:

(i) direct (and, in the case of investments denominated in Dollars, Registered) obligations of, and (and, in the case of investments denominated in Dollars, Registered) obligations fully guaranteed by, the United States, any Eligible Country, Great Britain, Japan, Canada or Australia or any agency or instrumentalities of the United States, any Eligible Country, Great Britain, Japan, Canada or Australia the obligations of which are expressly backed

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918185
by the full faith and credit of the United States, any Eligible Country, Great Britain, Japan, Canada or Australia, so long as the related obligor or guarantor is rated "AAA" or "A-1+" by S&P;

(ii) demand and time deposits in, certificates of deposit of, or banker's acceptances issued by, any depository institution or trust company incorporated in the United States or any state thereof or any Eligible Country, Great Britain, Japan, Canada or Australia, which depository institution or trust company is subject to supervision and examination by federal or state authorities (or, in the case of investments denominated in Approved Currencies other than Dollars, governmental banking authorities) so long as (a) in the case of demand and time deposits, such deposits (i) are held by banks rated "P-1" by Moody's and "A-1+" by S&P or at least "A-1" by S&P in the case of demand and time deposits in Le Belle Bank National Association for so long as it is the Trustee hereunder and (b) are payable on demand only without any restrictions and (c) in the case of certificates of deposit or banker's acceptances, the related depository institution or trust company is rated at least "A-3" or "P-1" by Moody's and "AAA" or "A-1+" by S&P;

(iii) repurchase obligations with respect to (a) any security described in clause (i) above or (b) any other security issued or guaranteed by an agency or instrumentality of the United States, any Eligible Country, Great Britain, Japan, Canada or Australia, entered into with a depository institution or trust company described in clause (i) above or entered into with a corporation whose long-term senior unsecured rating is at least "A-1" by Moody's and "A-1+" by S&P and whose short-term credit rating is "P-1" by Moody's and "A-1+" by S&P at the time of such investment, with a term not in excess of 91 days, provided that if the term is greater than 30 days from the time of delivery, it has a long-term rating of "AAA" by S&P;

(iv) commercial paper or other short-term obligations of a corporation, partnership, limited liability company or trust, or any branch or agency thereof located in the United States or any of its territories or any Eligible Country, Great Britain, Japan, Canada or Australia, such commercial paper or other short-term obligations having a credit rating of "P-1" by Moody's and "A-1+" by S&P, and that are registered (in the case of investments denominated in Dollars) and either are interest bearing or are sold at a discount from the face amount thereof and have a maturity of not more than 91 days from their date of issuance in the case of S&P and Moody's, provided that if the term is greater than 30 days from the time of delivery, it has a long-term rating of "AAA" by S&P;

(v) offshore money market funds which have a credit rating of not less than "AaaMRA1+" by Moody's and "AAA" or "AAAa" or "AAAm-G" by S&P;

(vi) Cash; and

(vii) any other investments subject to satisfaction of the S&P Rating Condition and the Moody's Rating Condition;

which, in any case, (A) is acquired from a party acting in its capacity as broker-dealer in the ordinary course of business, or in an arm's length open market transaction, and if not, is approved by S&P, (B) is acquired at a price of no more than 100% of par and (C) if such obligation or security is subject to any withholding tax, the obligor of the obligation or security is required to make "gross-up" payments that cover the full amount of such withholding tax on an after-tax basis pursuant to the Underlying Instrument with respect thereto.

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918186
Footnote Exhibits - Page 4966

"Emerging Market Country": Any jurisdiction that is not the United States or does not have a foreign currency issuer rating of at least "AA" by S&P and a long-term sovereign debt rating of at least "AA" by Moody's.

"Enhanced Equipment Trust Certificate": An enhanced equipment trust certificate.

"EURIBOR": An amount determined only with respect to any Applicable Period for which non-compliant in Euros are outstanding. For purposes of calculating the Series Interest Rates for each Applicable Period, EURIBOR shall equal EURIBOR as used in the calculation of the Monthly Basis Swap Payment for such Applicable Period. For purposes of calculating the Monthly Basis Swap Payment for each Applicable Period, EURIBOR shall be calculated by the Basis Swap Calculation Agent as follows:

(a) On the Applicable Index Determination Date, the Basis Swap Calculation Agent will determine EURIBOR, expressed per annum, for deposits in Euro for the Applicable Period by reference to a quoted rate of 24-hour London Interbank Offered Rate ("London Interbank Offered Rate") or, in the event that the offered rate shown on the Teletrate monitor is replaced by corresponding interest rates of more than one bank, the Basis Swap Calculation Agent shall determine the arithmetic mean of such interest rates (at least two) so displayed (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000001% being rounded upwards). "Teletrate" means the Teletrate Service of Teletrate Service, Ltd.

(b) In the event that the Teletrate Page 248 is not available or if no quotation appears thereon on the Applicable Index Determination Date, the Basis Swap Calculation Agent shall request the principal offices within the Euro-zone of four leading banks in the Euro-zone as selected by the Basis Swap Calculation Agent (the "Euro Reference Banks") to provide the Basis Swap Calculation Agent with its offered quotation (expressed as a percentage per annum) for deposits in Euros for the Applicable Period to be used in the Euro-zone market at approximately 11:00 a.m. (Brussels time) as the Applicable index Determination Date. If at least two of such quotations are provided, the EURIBOR for such Interest Accrual Period shall be the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000001% being rounded upwards) of such offered quotations, all as determined by the Basis Swap Calculation Agent. If, on the Applicable Index Determination Date only one or none of the Euro Reference Banks provides the Basis Swap Calculation Agent with such offered quotations, the EURIBOR for the relevant Interest Accrual Period shall be the rate per annum which the Basis Swap Calculation Agent determines to be the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000001% being rounded upwards) of the rates, as communicated to (and at the request of) the Basis Swap Calculation Agent by leading banks in the Euro-zone as selected by the Basis Swap Calculation Agent, at 11:00 a.m. (Brussels time) on the relevant Interest Determination Date, for loans in Euros for a period equal to the Applicable Period to leading banks in the Euro-zone, provided, however, that if the Basis Swap Calculation Agent is required but unable to determine a rate in accordance with one of the procedures provided above, EURIBOR shall be EURIBOR as determined on the most recent date EURIBOR was available. As used herein, "Reference Banks" means four major banks in the European interbank market selected by the Basis Swap Calculation Agent.

(c) The Basis Swap Calculation Agent shall provide EURIBOR to the Note Calculation Agent as promptly as practicable following the determination thereof. As soon as possible after 11:00 a.m. (New York time) on each Applicable Index Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following each Applicable Index Determination Date, the Note Calculation Agent will cause the Series Interest Rates for the next Interest Accrual Period and the Series Interest...
Footnote Exhibits - Page 4967

Amounts (rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date to be communicated to the Issuer, the Trustee, the Issuing and Paying Agent, Euroclear, Clearstream and the paying agents. The Note Calculation Agent will also specify to the Issuer the quotations upon which the Series Interest Rates are based, and in any event the Note Calculation Agent shall notify the Issuer before 5:00 p.m. (New York time) on each Applicable Index Determination Date if it has not determined and is not in the process of determining the Series Interest Rates and the Series Interest Amounts, together with its reasons therefor.

"Euro", "Euro" and "€": The currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time.

"Euroclear": The Euroclear System.


"Expected Principal Amount": With respect to any Reference Obligation and its Final Amortization Date or Legal Final Maturity Date, an amount equal to (i) the Reference Obligation Outstanding Principal Amount of such Reference Obligation payable on such day (excluding any amount representing capitalized interest that relates to the term of the Credit Default Swap) assuming for this purpose that sufficient funds are available for such payment, where such amount shall be determined in accordance with the related Underlying Instruments, minus (ii) the sum of (A) the Aggregate Implied Volatility Amount with respect to such Reference Obligation (if any) and (B) the net aggregate principal deficiency balance of realized loss amounts (however described in the related Underlying Instruments) that are attributable to such Reference Obligation. The Expected Principal Amount shall be determined without regard to the effect of any provisions (however described) of the related Underlying Instruments that permit the limitation of due payments or distributions of funds in accordance with the terms of such Reference Obligation or that provide for the extinguishing or reduction of such payments or distributions.

"Final Amortization Date": With respect to any Reference Obligation, the first to occur of (i) the date on which the Reference Obligation Nominal Amount of such Reference Obligation is reduced to zero and (ii) the date on which the assets securing such Reference Obligation are liquidated, distributed or otherwise disposed of in full and the proceeds thereof are distributed or otherwise disposed of in full.

"Fitch": Fitch, Inc. and its subsidiaries and any successor or successors thereto.

"GBP-LIBOR": An amount determined only with respect to any Applicable Period for which Notes denominated in Sterling are Outstanding. For purposes of calculating the Stated Interest Rates for each Applicable Period, GBP-LIBOR shall equal GBP-LIBOR as used in the calculation of the Monthly Basis Swap Payment for such Applicable Period. For purposes of calculating the Monthly Basis Swap Payment for each Applicable Period, GBP-LIBOR shall be calculated by the Basis Swap Determination Agent as follows:

149

Confidential Treatment Requested by Goldman Sachs

GS-MIS-E-001918198
Footnote Exhibits - Page 4968

(a) On each Applicable Index Determination Date, GBP-LIBOR shall equal the rate, as obtained by the Basis Swap Calculation Agent, for Starting deposits in Europe for the Applicable Period which appears on Telerate Page 3750 (as defined in the International Swaps and Derivatives Association, Inc. 2000 Interest Rate and Currency Exchange Definitions), or such page as may replace Telerate Page 3750, as of 11:00 a.m. (New York time) on such Applicable Index Determination Date.

(b) If, on any Applicable Index Determination Date, such rate does not appear on Telerate Page 3750, or such page as may replace Telerate Page 3750, the Basis Swap Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to leading banks in the London interbank market for Starting deposits in Europe for the Applicable Period in an amount determined by the Basis Swap Calculation Agent by reference to the offered rates of the Reference Banks to leading banks in the London interbank market for Starting deposits in Europe for the Applicable Period. The Basis Swap Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to leading banks in the London interbank market for Starting deposits in Europe for the Applicable Period in an amount determined by the Basis Swap Calculation Agent by reference to the offered rates of the Reference Banks to leading banks in the London interbank market for Starting deposits in Europe for the Applicable Period. If, on any Applicable Index Determination Date, at least one of the Reference Banks provides such quotations, GBP-LIBOR shall equal such arithmetic mean of such quotations. If, on any Applicable Index Determination Date, only one or none of the Reference Banks provides such quotations, GBP-LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in the City of New York selected by the Basis Swap Calculation Agent are quoting on the relevant Applicable Index Determination Date for Eurodollar deposits for the Applicable Period in an amount determined by the Basis Swap Calculation Agent by reference to the principal London offices of leading banks in the London interbank market, provided, however, that if the Basis Swap Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, GBP-LIBOR shall be determined as described in the most recent date GBP-LIBOR was available. As used herein, "Reference Banks" means four major banks in the London interbank market selected by the Basis Swap Calculation Agent.

(c) The Basis Swap Calculation Agent shall provide GBP-LIBOR to the Note Calculation Agent as promptly as practicable following the determination thereof. As soon as possible after 11:00 a.m. (New York time) on each Applicable Index Determination Date, the Note Calculation Agent will cause notice of the Series Interest Rates for the next Interest Accrual Period to be calculated on the Series Interest Amounts (rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date to be communicated to the Issuer, the Trustee, the Issuing and Paying Agent, Euroclear, Clearstream and the paying agents. The Note Calculation Agent will also specify to the Issuers the quotations upon which the Series Interest Rates are based, and in any event the Note Calculation Agent shall notify the Issuers before 5:00 p.m. (New York time) on each Applicable Index Determination Date if it has not determined and is not in the process of determining the Series Interest Rates and the Series Interest Amounts, together with its reasons therefor.

"Global Notes": Collectively, the Rule 144A Global Notes and the Regulation S Global Notes.

"GS Group": The Goldman Sachs Group, Inc.

"Holder" or "Noteholder": With respect to any Note, the Person in whose name such Note is registered on the Note Register or Issuer Note Register, as applicable.
"ICE Aggregate USD Equivalent Outstanding Amount": When used with respect to any or all of the Notes, initially, the Aggregate USD Equivalent Outstanding Amount of such Class on the Closing Date, thereafter, it will be:

(a) decreased by an amount equal to:

(i) on the fifth Business Day following the calculation of any ICE Loss Amount, the product of (a) the related ICE Unscaled Credit Event Adjustment Amount and (b) the related Note Scaling Factor (such amount determined under this subclause (i), the "ICE Credit Event Adjustment Amount");

(ii) on the Payment Date immediately following the Due Period in which a Reference Obligation Amendment Amount is determined by the Credit Default Swap Calculation Agent on one or more Reference Obligation(s), the Notional Principal Adjustment Amount with respect to such Class of Notes on such date;

(iii) on any Stated Maturity with respect to a Series of such Class, after giving effect to clauses (i) and (ii) above, the ICE Aggregate USD Equivalent Outstanding Amount of the Notes maturing on such date; and

(iv) on a Partial Optional Redemption Date, after giving effect to clauses (i) through (iii) above, the ICE Aggregate USD Equivalent Outstanding Amount of the Notes of such Class that are redeemed in connection with such Partial Optional Redemption; and

(b) increased on any day on which additional Notes of such Class are issued by the principal amount of such additional issuance (or the USD Equivalent of such principal amount if issued in an Approved Currency other than Dollars).

For the avoidance of doubt, with respect to a Class with more than one Series Outstanding at such time of determination, any pro rata allocations made on such date pursuant to subclauses (ii) through (iv) above will be based on the ICE Aggregate USD Equivalent Outstanding Amount of each Series of such Class, as expressed in Dollars.

On any date of determination, decreases to the ICE Aggregate USD Equivalent Outstanding Amount of any Class of Notes will be determined by giving effect, in the following order, to the (i) aggregate related ICE Credit Event Adjustment Amount (if any) and (ii) aggregate related Notional Principal Adjustment Amount (if any).

"ICE Aggregate USD Equivalent Outstanding Amount Differential": An amount equal to, with respect to any Class of Notes, at any time of determination, the greater of (i) the ICE Aggregate USD Equivalent Outstanding Amount of such Class at such time less the Aggregate USD Equivalent Outstanding Amount of such Class at such time and (ii) zero.

"ICE Class Notional Amount": With respect to any Class of Notes on the Closing Date, the Initial Class Notional Amount of such Class of Notes; thereafter it will be decreased by an amount (as expressed in Dollars) equal to:

(i) on the fifth Business Day following the calculation of any ICE Loss Amount, if greater than zero, the lesser of (a)(i) the related ICE Loss Amount and (b) the ICE Class Notional Amount of all Classes of Notes that are subordinated to such Class immediately prior to such determination and (b) the ICE Class Notional Amount of such Class immediately prior to such determination (such amount, the "ICE Unscaled Credit Event Adjustment Amount"); and
 foothnote exhibits - page 4970

(8) on the Payment Date immediately following the Due Period in which a Reference Obligation Amortization Amount is determined by the Credit Default Swap Calculation Agent on one or more Reference Obligations, the Unscaled Notional Principal Adjustment Amount with respect to such Class of Notes on such date.

On any date of determination, decreases to the ICE Class Notional Amount of any Class of Notes will be determined by giving effect, in the following order, to the (i) aggregate related ICE Unscaled Credit Event Adjustment Amount (if any) and (ii) aggregate related Unscaled Notional Principal Adjustment Amount (if any).

"ICE Class Notional Amount Differential": An amount equal to, with respect to a Class of Notes, at any time of determination, the greater of (a) the ICE Class Notional Amount of such Class at such time less the Class Notional Amount of such Class at such time and (b) zero.

"ICE Currency Adjusted Accrued Interest Amount": With respect to any Series of Notes, an amount equal to the aggregate amount of interest accrued, at the applicable Series Interest Rate, during the related Interest Accrual Period on the average daily ICE Currency Adjusted Aggregate Outstanding Amount of such Series of Notes during the preceding Interest Accrual Period.

"ICE Currency Adjusted Aggregate Outstanding Amount": When used with respect to any or all of the Notes, the aggregate principal amount of such Notes when issued, as expressed in their currency of denomination and thereafter decreased:

(1) with respect to any ICE Credit Event Adjustment Amount or Notional Principal Adjustment Amount, by an amount equal to the product of (a) such Note's allocation of any ICE Credit Event Adjustment Amount or Notional Principal Adjustment Amount, as described in the definition of "ICE Aggregate USD Equivalent Outstanding Amount", as applicable, and (b) the Applicable Series Foreign Exchange Rate;

(2) on the latest Maturity with respect to a Series of Notes, after giving effect to any reductions pursuant to subclause (i) above, by the ICE Currency Adjusted Aggregate Outstanding Amount of such Notes; and

(3) in connection with a Partial Optional Redemption of such Notes, after giving effect to any reductions pursuant to subclauses (i) and (ii) above, by the ICE Currency Adjusted Aggregate Outstanding Amount of such Notes redeemed in connection with such Partial Optional Redemption.

"ICE Currency Adjusted Aggregate Outstanding Amount Differential": An amount equal to, with respect to any Series of Notes, at any time of determination, the greater of (i) the ICE Currency Adjusted Aggregate Outstanding Amount of such Series at such time less the Currency Adjusted Aggregate Outstanding Amount of such Series at such time and (ii) zero.

"ICE Currency Adjusted Interest Differential": With respect to any Series of Notes of any Class, an amount equal to (a) the ICE Currency Adjusted Accrued Interest Amount less (b) the Interest Distribution Amount (other than with respect to clause (d) of the definition thereof) with respect to such Series of Notes.

"ICE Currency Adjusted Interest Reimbursement Amount": On any Payment Date, an amount equal to the aggregate of, with respect to any Series of Notes, the products of:

(1) the ICE Currency Adjusted Reimburseable Interest Amount relating to such Series of Notes on such Payment Date (prior to giving effect to subclause (3) in the definition thereof on such Payment Date); and

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918191
Footnote Exhibits - Page 4971

(iii) the lesser of (a) 1 or (b) a fraction, the numerator of which is, if greater than zero, (1) the aggregate Unscaled Reimbursement Adjustment Amount of the Class related to such Series determined by the Credit Default Swap Calculation Agent during the related Due Period less (2) the aggregate Unscaled Credit Event Adjustment Amount of the Class related to such Series with respect to Credit Events determined by the Credit Default Swap Calculation Agent during the related Due Period, and the denominator of which is the ICE Class Notional Amount Differential of the Class related to such Series on the Determination Date immediately prior to the previous Payment Date; provided, however, that if such ICE Class Notional Amount Differential on the Determination Date immediately prior to the previous Payment Date is zero, then this subclause (iii) will be deemed to have a value of zero.

"ICE Currency Adjusted Reimbursable Interest Amount". On the Closing Date and with respect to any Series of Notes, etc. On any Payment Date thereafter, the ICE Currency Adjusted Reimbursable Interest Amount with respect to any Series shall equal the sum of:

(A) the product of (i) the ICE Currency Adjusted Reimbursable Interest Amount with respect to such Series on the immediately preceding Payment Date (or, in the case of the first Payment Date, the Closing Date) (after giving effect to any adjustments on the preceding Payment Date or the Closing Date, as the case may be, in accordance with this definition) and (ii) one plus the product of (a) the Series Interest Rate with respect to such Series and (b) the applicable Day Count Fraction; plus

(B) the ICE Currency Adjusted Interest Differential related to the immediately preceding Interest Accrual Period; minus

(C) with respect to any Reference Obligation that was removed from the Reference Portfolio during the preceding Due Period (if any), any ICE Currency Adjusted Reimbursable Interest Amount corresponding to the sum of any Loss Amounts determined with respect to such Reference Obligation that have not been subsequently reimbursed; provided that, for the avoidance of doubt, this section (C) will only be applicable if an ICE Loss Amount with respect to such Series has been calculated in connection with such removal; minus

(D) any ICE Currency Adjusted Interest Reimbursement Amount (including, for the avoidance of doubt, as a component of any Optional Redemption Reimbursement Amount) paid to such Series of Notes of such Class on such Payment Date.

"ICE Loss Amount": On (i) any Credit Default Swap Calculation Date, with respect to a Credit Event, the ICE Loss Amount will be zero; and (ii) any Business Day on which a Reference Obligation for which one or more Credit Events has occurred is removed from the Reference Portfolio, the sum of any Loss Amounts that have not been subsequently reimbursed with respect to such Reference Obligation prior to such removal, provided that, with respect to any Reference Obligation not denominated in Dollars, the ICE Loss Amount shall equal the product of (a) the ICE Loss Amount denominated in such other currency determined under subclauses (i) and (ii) above and (b) the applicable Notional Foreign Exchange Rate.

"ICE Reference Obligation Notional Amount": With respect to any Reference Obligation, an amount equal to the Initial Reference Obligation Notional Amount on the Closing Date and that will be decreased on each day on which a Principal Payment or a Reference Obligation Repayment Amount is determined by the Credit Default Swap Calculation Agent, by the relevant Reference Obligation Amortization Amount.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001919192
"ICE Reference Obligation Notional Amount Differential": With respect to any Reference Obligation, the (i) ICE Reference Obligation Notional Amount of such Reference Obligation less (ii) the Reference Obligation Notional Amount of such Reference Obligation.

"Implied Rating": In the case of a rating of a Reference Obligation by a Rating Agency, a rating that is determined by reference to any publicly available, fully monitored rating by another rating agency that, by its terms, addresses the full scope of the payment promise of the obligor.

"Implied Writedown Amount": For each Reference Obligation, (i) if the related Underlying Instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in clause (i) of the definition of "Writedown" to occur in respect of each Reference Obligation, on any Reference Obligation Payment Date, an amount determined by the Credit Default Swap Calculation Agent equal to the excess, if any, of the Current Period Implied Writedown Amount over the Previous Period Implied Writedown Amount, in each case in respect of such Reference Obligation Calculation Period to which such Reference Obligation Payment Date relates, and (ii) in any other case, zero.

"Implied Writedown Percentage": For each Reference Obligation, the ratio of (i) the related Reference Obligation Outstanding Principal Amount divided by (ii) the related Par Passu Amount.

"Implied Writedown Reimbursement Amount": With respect to any Reference Obligation, (i) if the related Underlying Instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in (i) of the definition of "Writedown" to occur in respect of each Reference Obligation, on any Reference Obligation Payment Date for such Reference Obligation, an amount determined by the Credit Default Swap Calculation Agent equal to the excess, if any, of the Previous Period Implied Writedown Amount for such Reference Obligation over the Current Period Implied Writedown Amount for such Reference Obligation, in each case in respect of the related Reference Obligation Calculation Period to which such Reference Obligation Payment Date relates, and (ii) in any other case, zero; provided that the aggregate of all Implied Writedown Reimbursement Amounts at any time with respect to a Reference Obligation shall not exceed the Reference Obligation Outstanding Principal Amount.

"Independent": As to any Person, any other Person (including a firm of accountants or lawyers and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person or in any Affiliate of such Person, (ii) is not connected with such Person as an officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions and (iii) is not Affiliated with a firm that fails to satisfy the criteria set forth in (i) and (ii). "Independent" when used with respect to any accountant who audits the books of any Person if in addition to satisfying the criteria set forth above the accountant is independent with respect to such Person within the meaning of Rule 101 of the Code of Ethics of the American Institute of Certified Public Accountants.

"Initial Class Notional Amount": With respect to: (i) the Class SS Notes, $1,100,000,000; (ii) the Class A-1 Notes, $200,000,000; (iii) the Class A-2 Notes, $200,000,000; (iv) the Class B Notes, $200,000,000; (v) the Class C Notes, $100,000,000; (vi) the Class D Notes, $200,000,000; and (vii) the Class PL Notes, $200,000,000; in each case denominated in Dollars or the USD Equivalent of any Approved Currency other than Dollars.

"Initial Face Amount": For each Reference Obligation, an amount as specified in the Reference Obligation Registry at the time of inclusion of such Reference Obligation in the Reference Portfolio, or, if such Reference Obligation is not denominated in Dollars, the product of (i) such amount and (ii) the applicable National Foreign Exchange Rate.

"Initial Factor": For each Reference Obligation, the factor for such Reference Obligation on the Closing Date, as specified in the Reference Obligation Registry.

Confidential Treatment Requested by Goldman Sachs
"Initial Purchaser": Goldman, Sachs & Co.

"Initial Reference Obligation Notional Amount": For (i) each Dollar denominated Reference Obligation, the notional amount of such Reference Obligation as recorded in the Reference Obligation Registry, and (ii) each Reference Obligation denominated in a currency other than Dollars, the product of (a) the notional amount of such Reference Obligation denominated in such other currency as recorded in the Reference Obligation Registry and (b) its Notional Foreign Exchange Rate, in each case as of the time of inclusion of such Reference Obligation in the Reference Portfolio.

"Initial Reference Portfolio": The portfolio of Reference Obligations on the Closing Date.

"Initial Reference Portfolio Notional Amount": The aggregate Reference Obligation Notional Amount of the Initial Reference Portfolio.

"Insurer": With respect to any Reference Obligation, the Insurer set out in Schedule A with respect to such Reference Obligation.

"Interest Accrual Period": The period from and including the Closing Date to but excluding the first Payment Date, and each successive period from and including each Payment Date to but excluding the following Payment Date (except with respect to the Payment Date preceding the Stated Maturity or the Mandatory Redemption Date, as the case may be, to but excluding the Stated Maturity or the Mandatory Redemption Date, as the case may be).

"Interest Distribution Amount": With respect to any Payment Date and with respect to any Series of Notes, the sum of:

(a) the aggregate amount of interest accrued, at the applicable Series Interest Rate, during the related Interest Accumulation Period on the average Daily Currency Adjusted Aggregate Outstanding Amount of such Series of Notes during the preceding Interest Accumulation Period;

(b) the aggregate amount of interest accrued, at the applicable Series Interest Rate, during the related Interest Accumulation Period, on any Defaulted Interest relating to such Series of Notes;

(c) any Defaulted Interest relating to such Series of Notes; and

(d) any ICE Currency Adjusted Interest Reimbursement Amount allocable to such Series.

"Interest Proceeds": With respect to any Payment Date (including the Optional Redemption Date or any Partial Optional Redemption Date, the Mandatory Redemption Date and/or the Stated Maturity), without duplication:

(i) the portion of the Collateral Interest Amount actually received during the related Due Period;

(ii) the Monthly Basis Swap Payment received on such Payment Date;

(iii) the Fixed Payment (for the avoidance of doubt, excluding those related amounts deposited in the CDS Issuer Fixed Payment Subaccount on such Payment Date but including those related amounts released from the CDS Issuer Fixed Payment Subaccount on such Payment Date) with respect to such Payment Date.
Footnote Exhibits - Page 4974

(v) any ICE Currency Adjusted Interest Reimbursement Amounts received during the related Due Period;

(vi) after an event of default, as such term is defined under the Collateral Put Agreement, any interest payment received by the issuer from the Posted Collateral during the related Due Period (but not to exceed the amount of the Collateral Put Provider’s obligations owed to the Issuer); and

(vii) all payments of principal on Eligible Investments purchased with the proceeds of any of items (i), (ii), (vi), (v) and (v) of this definition (without duplication) received during the related Due Period; provided that, prior to an event of default, as such term is defined in the Collateral Put Agreement, any payments received by the Issuer under the Posted Collateral shall not constitute “interest proceeds” and such amounts shall be deposited in the Collateral Put Provider Account and be treated in accordance with the Credit Support Annex, if any.


“ISDA Credit Derivatives Definitions”: The 2003 Credit Derivative Definitions published by the International Swap and Derivatives Association, Inc., as supplemented by the May 2003 Supplement to the 2003 Credit Derivatives Definitions.

“Issuer Assets”: All money (except for money, securities, investments and agreements in the Issuer’s bank account in the Cayman Islands), instruments and other property and rights, including, without limitation, the Collateral and the Issuer’s rights under the Credit Default Swap, the Basis Swap, the Collateral Put Agreement, the Collateral Disposal Agreement and the Portfolio Selection Agreement, subject to or intended to be subject to the lien of the Indenture for the benefit of the Secured Parties as of any particular time, including all Proceeds thereof and the rights, title and interest granted to the Issuer under the Indenture.

“Issuer Note Register”: The register maintained by the Issuing and Paying Agent or any Issuer Note Register with respect to the Issuer Notes under the Issuing and Paying Agency Agreement.

“Issuer Note Register”: The agent appointed by the Issuer under the Issuing and Paying Agency Agreement to act as note register for the purpose of registering and recording in the Issuer Note Register the Issuer Notes and transfers of such Notes.

“Issuer Notes”: Collectively, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class FL Notes.

“JPY-LIBOR”: An amount determined only with respect to any Applicable Period for which Notes denominated in Yen are Outstanding. For purposes of calculating the Series Interest Rates for each Applicable Period, JPY-LIBOR shall equal JPY-LIBOR as used in the calculation of the Monthly Basis Swap Payment for such Applicable Period. For purposes of calculating the Monthly Basis Swap Payment for each Applicable Period, JPY-LIBOR shall be calculated by the Basis Swap Calculation Agent as follows:

(a) On each Applicable Index Determination Date, JPY-LIBOR shall equal the rate, as obtained by the Basis Swap Calculation Agent, for deposits in Yen for the Applicable Period which appears on Toreset Page 3750 (as defined in the International Swaps and Derivatives Association, Inc. 2000 Interest Rate and Currency Exchange Definitions), or such page as may replace Toreset Page 3750, as of 11:00 a.m. (New York time) on such Applicable Index Determination Date.
(b) If, on any Applicable Index Determination Date, such rate does not appear on Telersate Page 3750, or such page as may replace Telersate Page 3750, the Basis Swap Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to leading banks in the London interbank market for deposits in Yen for the Applicable Period in an amount determined by the Basis Swap Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (New York time) on the Applicable Index Determination Date made by the Basis Swap Calculation Agent to the Reference Banks. If, on any Applicable Index Determination Date, at least two of the Reference Banks provide such quotations, JPY-LIBOR shall equal such arithmetic mean of such quotations. If, on any Applicable Index Determination Date, only one or none of the Reference Banks provide such quotations, JPY-LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in Tokyo selected by the Basis Swap Calculation Agent are quoting on the relevant Applicable Index Determination Date for loans in Yen for the Applicable Period in an amount determined by the Basis Swap Calculation Agent equal to an amount that is representative for a single transaction in such market at such time to leading European banks; provided, however, that if the Basis Swap Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, JPY-LIBOR shall be JPY-LIBOR as determined on the most recent date JPY-LIBOR was available. As used herein, "Reference Banks" means four major banks in the London interbank market selected by the Basis Swap Calculation Agent.

(c) The Basis Swap Calculation Agent shall provide JPY-LIBOR to the Note Calculation Agent as promptly as practicable following the determination thereof. As soon as possible after 11:00 a.m. (New York time) on each Applicable Index Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following each Applicable Index Determination Date, the Note Calculation Agent will cause notice of the Series Interest Rates for the next Interest Accrual Period and the Series Interest Amounts (rounded to the nearest cent, with half a cent being rounded upward) to be communicated to the Issuers, the Trustee, the Issuing and Paying Agent, Euroclear, Clearstream and the paying agents. The Note Calculation Agent will also specify to the Issuer the quotations upon which the Series Interest Rates are based, and in any event the Note Calculation Agent shall notify the Issuers before 5:00 p.m. (New York time) on each Applicable Index Determination Date if it has not determined and is not in the process of determining the Series Interest Rates and the Series Interest Amounts, together with its reasons therefor.

"Legal Final Maturity Date": With respect to any Reference Obligation, the "Rated Final Maturity Date" set out in Schedule A with respect to such Reference Obligation (subject, for the avoidance of doubt, to any business day convention applicable to the legal final maturity date of the Reference Obligation), provided that if the legal final maturity date of the Reference Obligation is amended, the Legal Final Maturity Date shall be such date as amended.

"LIBOR": An amount determined only with respect to any Applicable Period for which Notes denominated in Dollars are Outstanding. For purposes of calculating the Series Interest Rates for each Applicable Period, LIBOR shall equal LIBOR as used in the calculation of the Monthly Basis Swap Payment for such Applicable Period. For purposes of calculating the Monthly Basis Swap Payment for each Applicable Period, LIBOR shall be calculated by the Basis Swap Calculation Agent as follows:

(a) On each Applicable Index Determination Date, LIBOR shall equal the rate, as obtained by the Basis Swap Calculation Agent, for Euroclear deposits for the Applicable Period which appears on Telersate Page 3750 (as defined in the International Swaps and Derivatives Association, Inc. 2000 Interest Rate and Currency Exchange Definitions), or

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001919196
Footnote Exhibits - Page 4976

such page as may replace Telerate Page 3750, as of 11:00 a.m. (New York time) on such Applicable Index Determination Date.

(b) If, on any Applicable Index Determination Date, such rate does not appear on Telerate Page 3750, or such page as may replace Telerate Page 3750, the Basis Swap Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to leading banks in the London interbank market for Eurodollar deposits for the Applicable Period in an amount determined by the Basis Swap Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (New York time) on the Applicable Index Determination Date made by the Basis Swap Calculation Agent to the Reference Banks. If, on any Applicable Index Determination Date, at least two of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any Applicable Index Determination Date, only one or none of the Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in the City of New York selected by the Basis Swap Calculation Agent are quoting on the relevant Applicable Index Determination Date for Eurodollar deposits for the Applicable Period in an amount determined by the Basis Swap Calculation Agent by reference to the principal London offices of leading banks in the London interbank market; provided, however, that if the Basis Swap Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, LIBOR shall be LIBOR as determined on the most recent date LIBOR was available. As used herein, "Reference Banks" means four major banks in the London interbank market selected by the Basis Swap Calculation Agent.

(c) The Basis Swap Calculation Agent shall provide LIBOR to the Note Calculation Agent as promptly as practicable following the determination thereof. As soon as possible after 11:00 a.m. (New York time) on each Applicable Index Determination Date, the Note Calculation Agent will cause notice of the Series Interest Rates for the next Interest Accrual Period and the Series Interest Amounts (rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date to be communicated to the Issuer, the Trustee, the Issuing and Paying Agent, Euroclear, Clearstream and the paying agents. The Note Calculation Agent will also specify to the Issuer the quotations upon which the Series Interest Rates are based, and in any event the Note Calculation Agent shall notify the Issuers before 5:00 p.m. (New York time) on each Applicable Index Determination Date if it has not determined or is not in the process of determining the Series Interest Rates and the Series Interest Amounts. Together with its reasons therefor.

"London Banking Day": A day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

"Majority": With respect to the Notes or any Class thereof, the holders of more than 50% of the Aggregate USD Equivalent Outstanding Amount of the Notes or of such Class, as the case may be.

"Makewhole Amount": In connection with an Optional Redemption in Whole prior to the Payment Date in April 2010, an amount calculated by the Trustee equal to the net present value of a stream of fixed payments, such fixed payments being the Portfolio Selection Fees related to the Notes being redeemed, that would have been payable to the Portfolio Selection Agent from the redemption to the Payment Date in April 2010, discounted from and including the date of calculation to but excluding the Payment Date in April 2010, (ii) at the applicable rate (the "LIBOR Swap Rate") on London interbank offered rate swap agreements ("LIBOR Swaps") (determined, if necessary, by interpolating linearly between the LIBOR Swap and the term closest to and greater than the time from the redemption date to

Confidential Treatment Requested by Goldman Sachs GS MSB-E-001918167
the Payment Date in April 2010 and the LIBOR Swap with the term closest to and less than the time from
the redemption date to the Payment Date in April 2010 as reported on page 19001 on the Teletrate
Access Service (or any successor page on such service) as of 10:00 a.m. (New York time) on the tenth
Business Day preceding the related redemption date or (y) if such LIBOR Swap Rates are not reported or
are not ascertainable, the LIBOR Swap Rate as determined by the Calculation Agent in accordance with
the calculation of LIBOR.

"Maximum Redemption Refund Amount": With respect to the Stated Maturity of any Series of
Notes or in connection with a Mandatory Redemption caused by a termination of the Credit Default Swap
as a result of a default by the Protection Buyer, a termination of the Collateral Put Agreement as a result
of a default by the Collateral Put Provider or a termination of the Basic Swap as a result of a default by
the Basic Swap Counterparty, if an ICE Reference Obligation Notional Amount Differential is greater
than zero with respect to one or more Reference Obligations (a) that remain in the Reference Portfolio at
such time of determination, (b) with respect to which the ICE Reference Obligation Notional Amount
Differential was equal to zero on the day that was one calendar year prior to such time of determination,
(c) that, at the time of such determination, has an Actual Rating above (1) if rated by Moody's, "Ca" or (2) if rated
by S&P, "CC" and (d) with respect to which no Credit Event (other than a Writeoff) has occurred at any
time on or prior to such time of determination, an amount, if greater than zero, equal to the aggregate of
the differences, determined for each such Reference Obligation, of (f) the ICE Reference Obligation
Notional Amount Differential of such Reference Obligation and (g) if greater than zero, the ICE Reference
Obligation Notional Amount of such Reference Obligation less the related Current Dollar Price.

"Moody's": Moody's Investors Service, Inc. and any successor or successors thereto.

"Moody's Rating": The following definition of "Moody's Rating" has been provided to the Issuer
by Moody's and capitalized terms used therein with respect to types of securities have the meanings
ascribed thereto by Moody's. With respect to an Obligation, a rating to be determined as follows:

(1) if such Obligation has an expressly mentioned outstanding rating assigned by Moody's,
which rating by its terms addresses the full scope of the payment promise of the obligor
of such Obligation, the Moody's Rating shall be such rating, or if such Obligation is not
rated by Moody's, but a request has been made to Moody's for a rating to such
Obligation, the Moody's Rating shall be the rating so assigned by Moody's; provided
that for purposes of this definition,

(i) the rating assigned by Moody's to an Obligation placed on watch for possible
downgrade by Moody's will be deemed to have been downgraded by two
subcategories, and

(ii) the rating assigned by Moody's to an Obligation placed on watch for possible
upgrade by Moody's will be deemed to have been upgraded by two
subcategories, provided that an Obligation rated "Aa1" by Moody's that is placed
on watch for possible upgrade by Moody's will be deemed to have been
upgraded by one rating subcategory; and

(2) if such Obligation is not rated by Moody's but is rated by S&P, then the Moody's
Rating of such Obligation may be an Implied Rating determined by subtracting
the number of subcategories from the Moody's equivalent rating according to the
following table ("notching").
## Asset Class Table

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>AAA to AA-</th>
<th>A+ to BBB-</th>
<th>Below BBB-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Backed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural and Industrial Equipment loans</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Aircraft and Auto leases</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Arena and Stadium Financing</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Auto Loan</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Boat, Motorcycle, RV, Truck</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Computer, Equipment and Small-ticket item leases</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Consumer Loans</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Credit Card</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Cross-border transactions</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Entertainment Royalties</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Floor Plan</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Franchise Loans</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Future Receivables</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Health Care Receivables</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Manufactured Housing</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Mutual Fund Fees</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Small Business Loans</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Stranded Utilities</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Structured Settlements</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Student Loan</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Tax Liens</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

### Notes

- If such Obligation is dual-rated Jumbo A or A+ A, the Moody’s Rating shall be the rating determined in subclause (b) above, plus one-half of a subcategory;
Footnote Exhibits - Page 4979

(d) If such Obligation is not rated by Moody's but is rated by S&P and is a Commercial Mortgage-Backed Security, the Moody's Rating of such Obligation may be determined by subtracting the number of notches from the Moody's equivalent rating according to the following table:

<table>
<thead>
<tr>
<th>Commercial Mortgage Backed Securities</th>
<th>Tranche rated by S&amp;P; no tranche in deal rated by Moody's</th>
<th>Tranche rated by S&amp;P; at least one other tranche in deal rated by Moody's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduit</td>
<td>2 notches from S&amp;P</td>
<td>1.5 notches from S&amp;P</td>
</tr>
<tr>
<td>Credit Tenant Lease</td>
<td>Follow corporate notching practice</td>
<td>Follow corporate notching practice</td>
</tr>
<tr>
<td>Large Loan</td>
<td>No notching permitted</td>
<td></td>
</tr>
</tbody>
</table>

1 For purposes of the "Moody's Rating", conduits are defined as fixed rate, sequential pay, multi-borrower transactions having a Herfindahl score of 40 or higher at the loan level with all collateral consisting of loans. A minor, large lease, Credit Tenant Leases and any other real estate collateral factored in.

2 A 1.5 notch bailout implies, for example, that if the S&P rating were BBB, then the Moody's rating would be in between the Baa and Ba rating bands.

If such Obligation is a CDO Cashflow Security, no notching is permitted and the Moody's Rating shall be the rating as assigned by Moody's.

provided that (i) any ratings by S&P used to determined a Moody's Ratings shall (a) address the full return of interest and principal; (b) be for the benefit of multiple investors and remain valid if the Obligation is transferred to subsequent investors; (c) be actually expressly monitored ratings rather than any "credit estimate" or "shadow rating" and (d) be mentioned through the life of the Obligation and (2) no notching is permitted based upon a rating by S&P with an "R", "F" or "P" subscript; and provided, further, that the aggregate Reference Obligation National Amount of Reference Obligations that may be given a Moody's Rating based on Reference Obligations rated by only S&P may not exceed 7.5% of the Initial Reference Portfolio National Amount, and provided, further, that Asset-Backed Securities or Mortgage-Backed Securities, other than those listed in this paragraph (2) and any RMBS Agency Securities, shall have the rating assigned by Moody's.

"Moody's Rating Condition": With respect to any proposed action to be taken under the Indenture or any other document contemplated by the Indenture, a condition that is satisfied when Moody's has confirmed in writing to the Issuer and/or the Trustee that an immediate withdrawal or reduction with respect to any then-current rating by Moody's of any Class of Notes will not occur as a result of such proposed action.

*Mortgage-Backed Securities*: Any Residential Mortgage-Backed Securities or Commercial Mortgage-Backed Securities.

*New Zealand Dollar*: "NZD" or "NZ$: The official currency of New Zealand.

*Non-U.S. Obligor*: An Issuer or obligor of a Reference Obligation that (i) is not a Special Purpose Vehicle and (ii) is organized in a sovereign jurisdiction other than the United States of America.

*Note Payment Sequence*: The application, in accordance with the Priority of Payments, of Principal Proceeds, in the following order: to the payment of principal of the Class B Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class A-1 Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class A-2 Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class A Notes until redeemed or otherwise paid in full, and finally to the payment of principal of the Class A-3 Notes until redeemed or otherwise paid in full.
otherwise paid in full, then to the payment of principal of the Class B Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class C Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class D Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class FL Notes until redeemed or otherwise paid in full, provided that (i) with respect to any Class of Notes issued in more than one Series, allocation of principal to Notes of each related Series will be made pro rata based on (a) the Aggregate USD Equivalent Outstanding Amount of such Notes (other than in connection with a Mandatory Redemption) and (b) the Dollar equivalent principal amount of such Notes determined using the Spot FX Rate as of the third Business Day immediately prior to such Mandatory Redemption Date (in connection with a Mandatory Redemption) and (ii) principal will be applied to Notes in the Approved Currency in which such Notes are denominated up to the Currency Adjusted Aggregate Outstanding Amount of such Notes.

"Note Register": The register maintained by the Trustee or any Note Registrar with respect to the Co-issued Notes under the Indenture.

"Note Registrar": The agent appointed by the Issuer under the Indenture to act as note registrar for the purpose of registering and recording in the Note Register the Co-issued Notes and transfers of such Notes.

"Note Scaling Factor": On any date of determination, with respect to any Class of Notes, a fraction equal to (i) the Aggregate USD Equivalent Outstanding Amount of such Class of Notes on such Date divided by (ii) the Class Notional Amount of such Class of Notes on such Date. For the avoidance of doubt, the Note Scaling Factor may exceed 1.

"Noteholder": A Holder of the Notes of any Class.

"Noteholder Communication Notice": A notice from an Originating Noteholder to the Trustee or the Issuing and Paying Agent, as applicable, of the contents of which are to be delivered by the Trustee or the Issuing and Paying Agent, as applicable, to all other Noteholders in accordance with the Indenture or the Issuing and Paying Agency Agreement, as applicable.

"Notes": Collectively, the Class SS Notes, the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class FL Notes.

"Notice of Publicity Available Information": An irrevocable notice from the Protection Buyer to the Trustee (which shall forward such notice to the Issuers, the Rating Agencies and the Collateral Disposal Agent) (which may be by telephone) that cites Publicly Available Information confirming the occurrence of a Credit Event. The notice must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information.

"Notional Foreign Exchange Rate": The Spot FX Rate determined as of the Closing Date.

"Notional Principal Amount": On any date of determination, the Reference Obligation Amortization Amounts.

"NZD-BBR": NZD-BBR will be an amount determined only with respect to any Applicable Period for which Notes denominated in New Zealand Dollars are Outstanding. For purposes of calculating the Issuance Interest Rates for each Applicable Period, NZD-BBR shall equal NZD-BBR as used in the calculation of the Monthly Basis Swap Payment for such Applicable Period. For purposes of calculating the Monthly Basis Swap Payment for each Applicable Period, NZD-BBR shall be calculated by the Basis Swap Calculation Agent as follows:

(a) On each Applicable Index Determination Date, NZD-BBR shall equal the rate, as obtained by the Basis Swap Calculation Agent, for deposits in New Zealand Dollar bills of
Footnote Exhibits - Page 4981

exchange for the Applicable Period which appears on the Teletrate Page 2484 (as defined in the International Swaps and Derivatives Association, Inc. 2000 Interest Rate and Currency Exchange Definitions), or such page as may replace Teletrate Page 2484, as of 11:30 a.m. (Wellington time) on such Applicable Index Determination Date.

(b) If, on any Applicable Index Determination Date, such rate does not appear on Teletrate Page 2484, or such page as may replace Teletrate Page 2484, the Basis Swap Calculation Agent shall determine the arithmetic mean on the basis of the bid and offered rates of the Reference Banks for New Zealand Dollar bills of exchange for the Applicable Period in an amount determined by the Basis Swap Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (Wellington time) on the Applicable Index Determination Date made by the Basis Swap Calculation Agent to the principal New Zealand office of each of the Reference Banks. If, on any Applicable Index Determination Date, at least two of the Reference Banks provide sets of bid and offered rate quotations, NZD-BBR shall mean the arithmetic mean of such quotations. If, on any Applicable Index Determination Date, only one or none of the Reference Banks provides such bid and offered rate quotations, NZD-BBR shall mean the arithmetic mean of the rates quoted by major banks in New Zealand selected by the Basis Swap Calculation Agent, at approximately 11:00 a.m. (Wellington time) on the relevant Applicable Index Determination Date for New Zealand Dollar bills of exchange for the Applicable Period in an amount determined by the Basis Swap Calculation Agent equal to an amount that is representative for a single transaction in such market at such time; provided, however, that if the Basis Swap Calculation Agent is unable to determine a rate in accordance with at least one of the procedures provided above, NZD-BBR shall mean NZD-BBR as determined on the most recent date NZD-BBR was available. As used herein, "Reference Banks" means four major banks in the New Zealand money market selected by the Basis Swap Calculation Agent.

(c) The Basis Swap Calculation Agent shall provide NZD-BBR to the Note Calculation Agent as promptly as practicable following the determination thereof. As soon as possible after 11:00 a.m. (New York time) on each Applicable Index Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following each Applicable Index Determination Date, the Note Calculation Agent will cause notice of the Issuance Interest Rates for the next Interest Accrual Period and the Issuance Interest Amounts (rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date to be communicated to the Issuer, the Trustee, the Issuing and Paying Agent, if applicable, Euroclear, Clearstream and the paying agents. The Note Calculation Agent will also specify to the Issuer the quotations upon which the Issuance Interest Rates are based, and in any event the Note Calculation Agent shall notify the Issuer before 5:00 p.m. (New York time) on each Applicable Index Determination Date if it has not determined and is not in the process of determining the Issuance Interest Rates and the Issuance Interest Amounts, together with its reasons thereof.

"Obligation": A Reference Obligation, a Collateral Security or an Eligible Investment, as the case may be.

"Optional Redemption Date": Any Payment Date specified for an Optional Redemption in Whole.

"Optional Redemption Reimbursement Amount": With respect to any Reversible Loss Series, the aggregate of the following amounts:

- the ICE Currency Adjusted Aggregate Outstanding Amount Differential with respect to such Series; and
Footnote Exhibits - Page 4982

(a) the ICE Currency Adjusted Reimbursable Interest Amount with respect to such Series.

"Original Principal Amount": For each Reference Obligation, the outstanding principal balance of such Reference Obligation as of the issuance date of such Reference Obligation, as recorded in the Reference Obligation Registry.

"Originating Noteholder": With respect to (i) any Collateral Security Substitution Request Notice, the Noteholder(s) submitting such Collateral Security Substitution Request Notice and (ii) any Noteholder Communication Notice, the Noteholder(s) submitting such Noteholder Communication Notice.

"Outstanding": With respect to the principal amount of any Note of any Class, as of any time of determination, the principal amount of such Note after giving effect to (i) each reduction (if any) in the principal amount of such Note as described in "Summary—Notes—Decrease in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes", (ii) each increase (if any) in the principal amount of such Note as described in "Summary—Notes—Increase in the Aggregate USD Equivalent Outstanding Amount of each Class of Notes", (iii) each payment (if any) of the principal amount of such Note and (iv) any additional Notes of such Class issued pursuant to the Indenture, in each case prior to such time of determination, except:

(a) Notes theretofore cancelled by the Note Registrar or the Issuer Note Registrar, as applicable or delivered to the Note Registrar or the Issuer Note Registrar, as applicable, for cancellation;

(b) Notes or, in each case, portions thereof for whose payment or redemption funds in the necessary amount have been theretofore irrevocably deposited with the Trustee or any Paying Agent in trust for the Holders of such Notes, provided that if such Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or the Issuing and Paying Agency Agreement, as applicable or provision therefor satisfactory to the Trustee or the Issuing and Paying Agent, as applicable, has been made;

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture or the Issuing and Paying Agency Agreement, as applicable, unless proof satisfactory to the Trustee or the Issuing and Paying Agent, as applicable, is presented that any such original Notes are held by a holder in due course;

(d) Notes alleged to have been mutilated, destroyed, lost or stolen for which replacement Notes have been issued as provided in the Indenture;

(e) In determining whether the Holders of the requisite Aggregate USD Equivalent Outstanding Amount have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer or the Co-Issuer shall be disregarded and deemed not to be Outstanding, except that in determining whether the Trustee or Issuing and Paying Agent, as applicable, shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only notes that a Trust Officer of the Trustee or the Issuing and Paying Agent, as applicable, knows to be so owned shall be so disregarded;

(f) for the avoidance of doubt, any Notes held by, or with respect to which discretionary voting rights are held by, the Initial Purchaser and/or its Affiliates or its respective employees will have voting rights with respect to all matters as to which the Holders of Notes are entitled to vote.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001018203
(g) for the avoidance of doubt, any Notes held by, or with respect to which discretionary voting rights are held by, the Portfolio Selection Agent and/or its Affiliates or by any account or fund for which the Portfolio Selection Agent or any Affiliate has discretionary authority will have voting rights with respect to all matters as to which the Holders of Notes are entitled to vote, and

(h) Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee or the Issuer and Paying Agent, as applicable, that the pledgee has the right so to act with respect to such Notes and the pledgee is not the Issuer, the Co-Issuer or any other obligor upon the Notes or any Affiliate of the Issuer, the Co-Issuer or such other obligor.

"Paid in Full Amount": For each Reference Obligation, as of any date of determination, the aggregate of the Reference Obligation Outstanding Principal Amount of such Reference Obligation and the aggregate outstanding principal balance of all obligations of the related Reference Entity secured by the Underlying Assets and ranking pari passu in priority with such Reference Obligation.

"Partial Optional Redemption Date": Any Payment Date specified for a Partial Optional Redemption.

"Payment Date": The 28th of each month or if such day is not a Business Day, the next succeeding Business Day, commencing May 29, 2007 and ending on the Stated Maturity.

"Payment Default": Any Event of Default specified in subclauses (i), (ii), (iv) or (v) of the definition of such term.

"Person": An individual, corporation (including a business trust), partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), bank, unincorporated association or government or any agency or political subdivision thereof or any other entity of a similar nature.

"Portfolio Selection Agreement": An agreement dated as of the Closing Date, between the Issuer and the Portfolio Selection Agent relating to the Portfolio Selection Agent's performance on behalf of the Issuer of certain investment management duties with respect to the Reference Portfolio, as amended from time to time in accordance with its terms and the terms of the indenture.

"Posted Collateral": Any collateral posted by the Collateral Put Provider to the Issuer pursuant to the Credit Support Annex, if any.

"Previous Period Implied Writedown Amount": For each Reference Obligation, with respect to any Reference Obligation Calculation Period, the Current Period Implied Writedown Amount, as determined in relation to the last day of the immediately preceding Reference Obligation Calculation Period.

"Principal Payment": With respect to any Reference Obligation, the occurrence of a payment of an amount to the holders of the Reference Obligation in respect of principal (scheduled or unscheduled) in respect of the Reference Obligation other than a payment in respect of principal representing capitalized interest that relates to the term of the Credit Default Swap, excluding, for the avoidance of doubt, any Writedown Reimbursement.

"Principal Payment Amount": With respect to any Reference Obligation and in connection with a Principal Payment on such Reference Obligation, an amount equal to the product of (i) the amount of any such Principal Payment on such date, (ii) the Applicable Percentage and (iii) if such Reference Obligation is not denominated in Dollars, the applicable National Foreign Exchange Rate.
"Principal Proceeds": Without duplication (in each case for so long as it has not been previously applied):

(i) Disposition Proceeds;

(ii) all payments of principal (including optional or mandatory redemptions or prepayments) received on the Collateral;

(iii) all proceeds received from any additional issuance of Notes pursuant to the Indenture not previously invested in Collateral Securities;

(iv) any termination payments paid to the Issuer under the Credit Default Swap and the Basis Swap;

(v) any Currency Adjusted Reinstatement Adjustment Amount paid to the Issuer by the Protection Buyer (excluding from amounts available in the CDS Issuer Account (but not including amounts on deposit in the CDS Issuer Fixed Payment Subaccount));

(vi) any Optional Redemption Reimbursement Amount paid to the Issuer by the Protection Buyer (excluding from amounts available in the CDS Issuer Account (but not including amounts on deposit in the CDS Issuer Fixed Payment Subaccount));

(vii) any Approved Currency Collateral Payment paid to the Issuer by the Protection Buyer;

(viii) any Redemption Valuedown Refund paid to the Issuer by the Protection Buyer (excluding from amounts available in the CDS Issuer Account (but not including amounts on deposit in the CDS Issuer Fixed Payment Subaccount)); and

(ix) all payments of principal on Eligible Investments purchased with the proceeds of any of items (i) through (viii) of this definition (without duplication) and not applied during the related Due Period;

provided, that, prior to an event of default, as such term is defined under the Collateral Put Agreement, any payment received by the Issuer under the Posted Collateral shall not constitute Principal Proceeds and such amounts shall be deposited in the Collateral Put Provider Account and be treated in accordance with the Credit Support Annex, if any.

"Principal Shortfall Amount": With respect to any Reference Obligation that suffered a Failure to Pay Principal Credit Event, the greater of (i) zero and (ii) the amount equal to the product of (A) the Expected Principal Amount for such Reference Obligation minus the Actual Principal Amount for such Reference Obligation, (B) the Applicable Percentage and (C) if such Reference Obligation is not denominated in Dollars, the applicable Notional Foreign Exchange Rate.

"Principal Shortfall Reimbursement": With respect to any day and any Reference Obligation, the payment by or on behalf of the related Reference Entity of an amount in respect of the Reference Obligation in or toward the satisfaction of any default of or failure to pay principal arising from one or more prior occurrences of a Failure to Pay Principal with respect to such Reference Obligation.

"Principal Shortfall Reimbursement Amount": With respect to any day and any Reference Obligation, the product of (i) the amount of any Principal Shortfall Reimbursement related to such Reference Obligation on such day and (ii) the related Applicable Percentage.

"Proceeds": (i) Any property (including but not limited to cash and securities) received as a Distribution on the Issuer Assets or any portion thereof, (ii) any property (including but not limited to cash

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001919205
Footnote Exhibits - Page 4985

and securities) received in connection with the sale, liquidation, exchange or other disposition of the issuer Assets or any portion thereof, and (ii) all proceeds (as such term is defined in the UCC) of the issuer Assets or any portion thereof.


"Protection Buyer Credit Support Document": The meaning assigned to the term "Credit Support Document" in the Credit Default Swap and initially, the Guaranty dated as of the Closing Date by GS Group in favor of the Issuer as beneficiary thereof with respect to the obligations of the Protection Buyer under the Credit Default Swap.

"Protection Buyer Credit Support Provider": The meaning assigned to the term "Credit Support Provider" in the Credit Default Swap and initially, GS Group.

"Protection Buyer Default Termination Payment": Any Credit Default Swap Termination Payment required to be made by the Issuer to the Protection Buyer pursuant to the Credit Default Swap (i) in the event of a termination of the Credit Default Swap in respect of which the Protection Buyer is the defaulting party or (ii) in which the Protection Buyer was the sole "Affected Party" (as such term is defined in the Credit Default Swap) (other than in connection with a "Tax Event" or "Negligence"), in each case as defined in the Credit Default Swap.

"Protection Buyer Notes": Notes acquired by the Protection Buyer and/or one or more Affiliates thereof.

"Publicly Available Information": Any information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in a Credit Event Notice has occurred and which (i) has been published in not less than two internationally recognized news sources or electronically displayed news sources (it being understood that each of Bloomberg News, Dow Jones Teletrate Service, Reuters, Market News Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nikkei Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos or The Australian Financial Review (or successor publications) shall be deemed to be an internationally recognized news source or electronically displayed news source), provided that if either of the parties to the Credit Default Swap or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless such party or its Affiliate is acting in its capacity as trustee, custodian, administrative agent, clearing agent or paying agent for a Reference Obligation, (ii) is information received from (a) a Reference Entity, (b) a trustee, custodian, administrative agent, clearing agent or paying agent for a Reference Obligation or a Person which was a party to the offering or distribution of the related Reference Obligation or is a party to any agreement relating to the related Reference Obligation, in each case other than the Protection Buyer or any of its Affiliates, (c) a master servicer, a primary servicer, a special servicer or the servicer (or any successor servicer) of any trust or similar arrangement sponsored by a specialized servicer, (d) Trepp, LLC, Cberse, BNC, Moody's, S&P or Fitch or any successor thereto, in each case generally made available to the public, (e) Trepp, LLC, Cberse, BNC, Moody's, S&P or Fitch or any successor thereto, (f) any other Person acting in a similar capacity for a Reference Obligation, (g) Moody's, S&P or Fitch or any successor thereto, in each case generally made available to the public, (h) Moody's, S&P or Fitch or any successor thereto, (i) any other Person acting in a similar capacity for a Reference Obligation, (j) Moody's, S&P or Fitch or any successor thereto, (k) any other Person acting in a similar capacity for a Reference Obligation, (l) Moody's, S&P or Fitch or any successor thereto, (m) any other Person acting in a similar capacity for a Reference Obligation, (n) Moody's, S&P or Fitch or any successor thereto, (o) any other Person acting in a similar capacity for a Reference Obligation, (p) Moody's, S&P or Fitch or any successor thereto, (q) any other Person acting in a similar capacity for a Reference Obligation, (r) Moody's, S&P or Fitch or any successor thereto, (s) any other Person acting in a similar capacity for a Reference Obligation, (t) Moody's, S&P or Fitch or any successor thereto, (u) any other Person acting in a similar capacity for a Reference Obligation, (v) Moody's, S&P or Fitch or any successor thereto, (w) any other Person acting in a similar capacity for a Reference Obligation, (x) Moody's, S&P or Fitch or any successor thereto, (y) any other Person acting in a similar capacity for a Reference Obligation, (z) Moody's, S&P or Fitch or any successor thereto.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918206
Footnote Exhibits - Page 4986

information contained in a certificate of the Credit Default Swap Calculation Agent signed by a Managing Director or other equivalently senior officer of the Credit Default Swap Calculation Agent specifically authorized to provide such certification.

In relation to any information of the type described in (i), (ii), (iv) or (v), the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any affiliate thereof that would be breached by, or would prevent, the disclosure of such information to third parties.

"Purchase Agreement": The purchase agreement, dated as of April 10, 2007, among the issuers and the initial purchaser.

"Put Excluded Collateral": As of any time of determination, collectively, (i) demand and time deposits that are Eligible Investments as described in clause (b) of the definition thereof, (ii) Cash, (iii) any Collateral acquired with Excess Disposition Proceeds and/or (iv) any other Eligible Investments subject to satisfaction of the S&P Rating Condition and the Moody's Rating Condition, in each case, as of such date.

"Put Proceeds": All amounts received by the issuer from the Collateral Put Provider in accordance with the Collateral Put Agreement.

"Qualified Institutional Buyer": Any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of the Notes, is a qualified institutional buyer as defined in Rule 144A.

"Qualified Purchaser": Any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of the Notes, is a qualified purchaser for purposes of Section 3(c)(7) of the Investment Company Act.

"Rating Agencies": S&P and Moody's (each, a "Rating Agency") or, with respect to the Issuers of the Notes and the Trustee, any other nationally recognized statistical rating agency selected by the Issuers and reasonably satisfactory to a Majority of the aggregate principal amount of the Notes held as a single class. The event that at any time the Rating Agencies do not include S&P or Moody's, references to rating categories of S&P or Moody's in this definition shall be deemed instead to reference the equivalent categories of such other rating agency as of the most recent date as of which such other rating agency and S&P or Moody's published ratings for the type of security in respect of which such alternative rating agency is used. References to Rating Agencies with respect to any Class of Notes issued on the Closing Date shall apply only to Rating Agencies that assigned a rating (public or confidential) to such Class of the Notes on the Closing Date. Reference to Rating Agencies with respect to Classes of Notes that are not issued on the Closing Date shall apply only to any nationally recognized statistical rating agency selected by the Issuer that rates such Classes of Notes and, as the case may be, upon any issuance of such Notes.

"Redemption Refund Adjustment Amount": With respect to each Class of Notes on a Mandatory Redemption Date caused by a termination of the Credit Default Swap as a result of a default by the Protection Buyer, a termination of the Collateral Put Agreement as a result of a default by the Collateral Put Provider or a termination of the Basis Swap as a result of a default by the Basis Swap Counterparty or a Stated Maturity of any Series of such Class, the product of (i) the Unscaled Redemption Refund Adjustment Amount related to such Class and (ii) the related Note Scaling Factor immediately prior to such determination; provided that, for the avoidance of doubt, with respect to a Class with more than one Series Outstanding at such time of determination, any pro rata allocations of any Redemption Refund Adjustment Amount will be based on the Aggregate USD Equivalent Outstanding Amount of each applicable Series of such Class, as expressed in Dollars.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918207
Footnote Exhibits - Page 4987

"Reference Entity": The issuer of a Reference Obligation as set forth in the Reference Obligation Registry and, as determined by the Credit Default Swap Calculation Agent, any entity that succeeds to the obligations of such Reference Entity relating to such Reference Obligation.

"Reference Obligation": Each obligation listed as such in the Reference Obligation Registry on the Closing Date.

"Reference Obligation Amortization Amount": With respect to the redemption or amortization in whole or in part, of a Reference Obligation, the sum of (i) any Principal Payment Amounts and (ii) Reference Obligation Repayment Amounts on such date.

"Reference Obligation Calculation Period": For each Reference Obligation, with respect to each Reference Obligation Payment Date for such Reference Obligation, a period corresponding to the interest accrual period relating to such Reference Obligation Payment Date pursuant to the Underlying Instruments.

"Reference Obligation Notional Amount": Initially, with respect to any Reference Obligation, the initial Reference Obligation Notional Amount, and that in each case will be:

(i) decreased on each day on which a Principal Payment is determined by the Credit Default Swap Calculation Agent, by the relevant Principal Payment Amount;
(ii) decreased on the day, if any, on which a Failure to Pay Principal is determined by the Credit Default Swap Calculation Agent, by the relevant Principal Shortfall Amount;
(iii) decreased on each day on which a Writedown is determined by the Credit Default Swap Calculation Agent, by the relevant Writedown Amount; and
(iv) increased on each day on which a Writedown Reimbursement is determined by the Credit Default Swap Calculation Agent, by any Writedown Reimbursement Amount in respect of a Writedown Reimbursement within paragraphs (i) or (ii) of the definition of "Writedown Reimbursement";

provided that if the Reference Obligation Notional Amount would be less than zero, it shall be deemed to be zero.

For the avoidance of doubt, the Reference Obligation Notional Amount shall not be increased by any deferral or capitalization of interest that relates to the term of the Credit Default Swap or decreased by payment of any portion of the principal balance of the Reference Obligation that is attributable to the deferral or capitalization of interest during the term of the Credit Default Swap.

"Reference Obligation Outstanding Principal Amount": As of any date of determination with respect to any Reference Obligation, the outstanding principal balance of the Reference Obligation as of such date, which shall take into account:

(i) all payments of principal;
(ii) all writedowns or applied losses (however described in the related Underlying Instruments) resulting in a reduction in the outstanding principal balance of such Reference Obligation (other than as a result of a scheduled or unscheduled payment of principal);

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 4988

(ii) forgiveness of any amount by the holders of such Reference Obligation pursuant to an amendment to the Related Underlying Instruments resulting in a reduction in the outstanding principal balance of such Reference Obligation;

(iv) any payments reducing the amount of any reductions described in (i) and (ii) of this definition;

(v) any increase in the outstanding principal balance of such Reference Obligation that reflects a reversal of any prior reductions described in (i) and (ii) of this definition; and

(vi) any increase in the outstanding principal balance of the Reference Obligation that is attributable to the deferral or capitalization of interest prior to the Closing Date.

For the avoidance of doubt, the Reference Obligation Outstanding Principal Amount shall not include any portion of the outstanding principal balance of the Reference Obligation that is attributable to the deferral or capitalization of interest during the term of the Credit Default Swap.

"Reference Obligation Payment Date": For each Reference Obligation, each scheduled distribution date for such Reference Obligation occurring on or after the Closing Date.

"Reference Obligation Registry": A registry, maintained by the Credit Default Swap Calculation Agent in accordance with the Credit Default Swap that records, among other things, the identity of each Reference Obligation, the related Reference Entity, the Reference Obligation National Amount and certain other related information, which registry will be updated by the Credit Default Swap Calculation Agent to reflect any applicable changes.

"Reference Obligation Reimbursement": A Principal Shortfall Reimbursement or Withdrawn Reimbursement.

"Reference Obligation Reimbursement Amount": A Principal Shortfall Reimbursement Amount or a Withdrawn Reimbursement Amount.

"Reference Obligation Repayment Amount": With respect to a Reference Obligation, an amount equal to the sum of all Withdrawn Reimbursement Amounts related to such Reference Obligation on that day with respect to one or more Withdrawn Reimbursements pursuant to clause (i) of the definition of Withdrawn Reimbursement and/or Principal Shortfall Reimbursements related to such Reference Obligation on that day.

"Reference Portfolio National Amount": At any time of calculation, the aggregate Reference Obligation National Amount of all Reference Obligations at that time.

"Registered": A debt obligation that is issued after July 18, 1984 and that is in registered form within the meaning of Section 881(c)(2)(B)(ii) of the Code and the Treasury regulations promulgated thereunder.

"Regulation S" or "Reg S": Regulation S under the Securities Act.

"Regulation S Global Notes": One or more global notes for each Class of Notes in fully registered form without interest coupons sold in reliance on the exemption from registration under Regulation S.

"REIT": A real estate investment trust.

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001910209
Footnote Exhibits - Page 4989

"REIT Debt Security": A security issued by publicly held real estate investment trusts (as defined in Section 636 of the Code or any successor provision).

"Replacement Counterparty Rating": With respect to a counterparty or entity guaranteeing the obligations of such counterparty, (i) a long-term senior, unsecured debt obligation rating, financial program rating or other similar rating (as the case may be, the "long-term rating") of at least "Aa3" by Moody's and (ii) a long-term rating of at least "AA" by S&P.

"Required Basis Swap Counterparty Rating": With respect to the Basis Swap Counterparty or any Basis Swap Counterparty Credit Support Provider, (i) if the Basis Swap Counterparty or Basis Swap Counterparty Credit Support Provider has a long-term rating by Moody's, a long-term senior, unsecured debt obligation rating, financial program rating or other similar rating (as the case may be, the "long-term rating") of at least "Aa3" by Moody's and if rated "Aa3" by Moody's is not on negative credit watch by Moody's and (ii) if the Basis Swap Counterparty or Basis Swap Counterparty Credit Support Provider has a long-term rating by S&P, a long-term rating of at least "AA" by S&P.

"Residential Mortgage-Backed Securities" or "RMBS": Securities that represent interests in, or enable holders thereof to receive payments that depend on the cashflow from or availability of payments on residential mortgage loans secured by one to four-family residential mortgage loans and shall include, without limitation, RMBS Residential A Mortgage Securities, RMBS Residential B/C Mortgage Securities, RMBS Home Equity Loan Securities or RMBS Agency Securities, excluding, in each case, any securities that belong to an Excluded Specified Type; provided that any RMBS whose underlying collateral does not consist of 20.0% or more of subordinate tranches at the time of its issuance shall be deemed to be any of the aforementioned types of RMBS as determined by the Protection Buyer in accordance with market standards.

"Reversible Loss Series": A Series of Notes for which, at such time of determination, following the occurrence of one or more Valuation Blows with respect to Reference Obligations that have not subsequently been redeemed from the Reference Portfolio, the Aggregate USD Equivalent Outstanding Amount of such Series is less than the ICE Aggregate USD Equivalent Outstanding Amount of such Series, provided that, for the avoidance of doubt, the determination of whether any Series of Notes is a Reversible Loss Series will be made at the time of election to redeem such Series in connection with a Partial Optional Redemption and not at the time of issuance of such Series.


"RMBS Home Equity Loan Securities": Residential Mortgage-Backed Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from balances (including revolving balances) outstanding under lines of credit secured by a first and/or subordinate line of credit (other than credit secured by a first and/or subordinate line of credit) on residential real estate (single or multi-family properties), the proceeds of which lines of credit are not used to purchase such real estate or to purchase or construct dwellings thereon (or to refinance indebtedness previously so used), generally having the following characteristics:

(i) the balances have standardized payment terms and require minimum monthly payments;

(ii) the balances are obligations of numerous borrowers and accordingly represent a diversified pool of obligor credit risk;

(iii) the repayment of such balances may be based on a fixed scheduled payment or, alternatively, may not depend upon a contractual payment schedule, with early

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001018210
Footnote Exhibits - Page 4990

repayment depending primarily on interest rates, availability of credit against a maximum line of credit and general economic matters; and

(iv) the combined loan-to-value ratios are higher than customary in the primary mortgage markets;

provided that any RMBS whose underlying collateral consists of 20.0% or more of subordinate liens at the time of its issuance shall be deemed to be an RMBS Home Equity Loan Security.

"RMBS Manufactured Housing Loan Securities": Residential Mortgage-Backed Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from manufactured housing (also known as mobile homes and prefabricated homes) installment sales contracts and installment loan agreements, generally having the following characteristics:

(i) the contracts and loan agreements have varying, but typically lengthy contractual maturities;

(ii) the contracts and loan agreements are secured by the manufactured homes and, in certain cases, by mortgages and/or deeds of trust on the real estate to which the manufactured homes are deemed permanently affixed;

(iii) the contracts and/or loans are obligations of a large number of obligors and accordingly represent a relatively diversified pool of obligor credit risk;

(iv) repayment thereof can vary substantially from the contractual payment schedule, with early prepayment of individual loans depending on numerous factors specific to the particular obligors and upon whether, in the case of loans bearing interest at a fixed rate, such loans or securities include an effective prepayment premium; and

(v) in some cases, obligations are fully or partially guaranteed by a governmental agency or instrumentality;

"RMBS Residential A Mortgage Securities": Residential Mortgage-Backed Securities (other than RMBS Residential B/C Mortgage Securities) that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from residential mortgage loans secured (on a first priority basis, subject to permitted liens, easements and other encumbrances) by residential real estate (single or multi-family properties) the proceeds of which are used to purchase real estate and purchase or construct dwelling places (or to refinance indebtedness previously so used), generally having the following characteristics:

(i) the mortgage loans have generally been underwritten to the standards of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association (without regard to the size of the loan);

(ii) the mortgage loans have standardized payment terms and require minimum monthly payments;

(iii) the mortgage loans are obligations of numerous borrowers and accordingly represent a diversified pool of obligor credit risk, and
(iv) the repayment of such mortgage loans is subject to a contractual payment schedule, with early repayment depending primarily on interest rates and the sale of the mortgaged real estate and related dwelling.

"RMBS Residential B/C Mortgage Securities": Residential Mortgage-Backed Securities (other than RMBS Residential A Mortgage Securities) that enable the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from subprime residential mortgage loans secured (on a first priority basis, subject to permitted liens, easements and other encumbrances) by residential real estate (single or multi-family properties) the proceeds of which are used to purchase real estate and purchase or construct dwellings therein (or to refinance indebtedness previously so used), generally having the following characteristics:

(g) the mortgage loans have generally not been underwritten to the standards of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association (without regard to the size of the loans);

(h) the mortgage loans have standardized payment terms and require minimum monthly payments;

(i) the mortgage loans are obligations of numerous borrowers and accordingly represent a diversified pool of obligor credit risk; and

(iv) the repayment of such mortgage loans is subject to a contractual payment schedule, with early repayment depending primarily on interest rates and the sale of the mortgaged real estate and related dwelling.

"Rule 144A": Rule 144A under the Securities Act.

"Rule 144A Global Notes": One or more global notes for each Class of Notes in fully registered form without interest coupons sold in reliance on exemption from registration under Rule 144A.

"S&P": Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or any successor to the ratings business thereof.

"S&P Rating": With respect to any Obligation, a rating determined as follows:

(a) (1) If S&P has assigned a rating to such Obligation either publicly or privately, the S&P Rating shall be the rating assigned thereto by S&P; provided, however, that if the rating assigned to such Obligation by S&P is on the then-current credit rating watch list with negative implications, then the rating of such Obligation will be one subcategory below the rating then assigned to such Obligation by S&P and if the rating assigned to such Obligation by S&P is on the then-current credit rating watch list with positive implications, then the rating of such Obligation will be one subcategory above the rating then assigned to such Obligation by S&P;

(2) If such Obligation is not rated by S&P (other than an RMBS Agency Security), then an application may be made to S&P for a confidential credit estimate, which shall be the S&P Rating of such Obligation; provided that pending receipt from S&P of such estimate, such Obligation shall have an S&P Rating of "CCC-" if the Issuer believes that such estimate will be at least "CCC-"; or

(3) If such Obligation is not rated by S&P and no application has been made to obtain an S&P Rating for such Obligation pursuant to subclause (2) above, then
the S&P Rating of such Obligation may be implied only by reference to the chart set forth below so long as such referenced rating is a publicly monitored rating; provided that if such Obligation is not rated by S&P, and the Issuer does not obtain an S&P Rating for such Obligation pursuant to this subclause (a) then no more than 20% of the Initial Reference Portfolio Notional Amount on the aggregate principal amount of Collateral Securities, as the case may be, may imply an S&P Rating pursuant to this subclause (a)(v).

Asset classes are eligible for notching if they are not first loss tranches or combination securities. If an Obligation is publicly rated by two agencies, notch down as shown below will be based on the lowest rating. If publicly rated only by one agency, then notch down what is shown below. Issue one additional notch based on the public rating.

<table>
<thead>
<tr>
<th></th>
<th>Issued prior to 8/1/01 and the current rating is non investment grade</th>
<th>Issued after 8/1/01 and the current rating is non investment grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>CONSUMER ABS</strong></td>
<td>-1</td>
<td>-2</td>
</tr>
<tr>
<td>1.1 Automobile Loan Receivable Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Automobile Lease Receivable Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3 Car Rental Receivable Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4 Credit Card Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5 Healthcare Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.6 Student Loan Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. <strong>COMMERCIAL ABS</strong></td>
<td>-1</td>
<td>-2</td>
</tr>
<tr>
<td>2.1 Cargo Securitization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Equipment Leasing Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Aircraft Leasing Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 Small Business Loan Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 Restaurant and Food Services Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.6 Tobacco Litigation Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. <strong>Non-MB-MBS</strong></td>
<td>-1</td>
<td>-2</td>
</tr>
<tr>
<td>3.1 Manufactured Housing Loan Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. <strong>Non-FRM CMBS</strong></td>
<td>-1</td>
<td>-2</td>
</tr>
<tr>
<td>4.1 CMBS – Conduit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2 CMBS – Credit Tenant Lease</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3 CMBS – Large Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4 CMBS – Single Borrower</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5 CMBS – Single Property</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918213
### Footnote Exhibits - Page 4993

<table>
<thead>
<tr>
<th>Issued prior to 8/1/01 and the current rating is investment grade</th>
<th>Issued prior to 8/1/01 and the current rating is non investment grade</th>
<th>Issued after 8/1/01 and the current rating is investment grade</th>
<th>Issued after 8/1/01 and the current rating is non investment grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. COCLO CASH FLOW SECURITIES</td>
<td>-1</td>
<td>-2</td>
<td>-2</td>
</tr>
<tr>
<td>Cash Flow CDO – at least 80% High Yield</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Flow CDO – at least 80% Investment Grade</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Flow CLO – at least 80% High Yield</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Flow CLO – at least 80% Investment Grade</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. REITs</td>
<td>-1</td>
<td>-2</td>
<td>-2</td>
</tr>
<tr>
<td>REIT – Multifamily and Mobile Home Park</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIT – Retail</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIT – Hospitality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIT – Office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIT – Industrial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIT – Healthcare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIT – Warehouse</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIT – Self Storage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REIT – Mixed Use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. RESIDENTIAL MORTGAGES</td>
<td>-1</td>
<td>-2</td>
<td>-2</td>
</tr>
<tr>
<td>Residential “A”</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential “B/C”</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home equity loans</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No rating permitted with respect to COCLO Cash Flow Securities.

The information contained in the table above has been provided to the Issuer by S&P and the asset classes and related capitalized terms have the meanings ascribed thereto by S&P.

"S&P Rating Conditions": With respect to any proposed action to be taken under the Indenture or any other document contemplated by the Indenture, a condition that is satisfied when S&P has confirmed in writing to the Issuer and/or the Trustee that an immediate withdrawal or reduction with respect to any then-current rating by S&P of any Class of Notes will not occur as a result of such proposed action.

"Safe Proceeds": All amounts representing (i) proceeds from the sale or other disposition (other than Put Proceeds) of any Collateral, excluding any Collateral Interest Amount and (ii) any proceeds from liquidating Pledged Collateral after an event of default, as such term is defined under the Collateral Put Agreement, has occurred and is continuing under the Collateral Put Agreement (but not to exceed the amount of the Collateral Put Provider's obligations owed to the Issuer).

"Secured Parties": (i) The Trustee, (ii) the Noteholders, (iii) the Issuing and Paying Agent (iv) the Protection Buyer, (v) the Basis Swap Counterparty, (vi) the Collateral Put Provider and (vii) the Portfolio Selection Agent.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918214
"Securities Act": The U.S. Securities Act of 1933, as amended.

"Securities Intermediary": The meaning specified in Section 8-102(a)(14) of the UCC.

"Senior Amount": For any Reference Obligation, as of any date of determination, the aggregate outstanding principal balance of all obligations of the related Reference Entity secured by the related Underlying Assets and ranking senior in priority to such Reference Obligation.

"Series": All of the Notes of a Class issued (i) in the same Approved Currency, (ii) on the same date of issuance, (iii) with the same Series Interest Rate, (iv) with the same date from which interest will accrue, (v) with the same Non-Call Period, and (vi) with the same Stated Maturity.

"Series Interest Amount": With respect to any Series of Notes, as to each Interest Accrual Period, the amount of interest for such Interest Accrual Period payable in respect of each $1,000, $1,000, $1,000, $1,000, $1,000, $1,000, or $1,000 principal amount of such Series of Notes.

"Series Interest Amounts": Collectively, the Series Interest Amount for each Class of Notes.

"Series Interest Rate": With respect to any Series of Notes of any Class, the annual rate at which interest accrues on such Series of Notes, as specified, with respect to Notes issued on the Closing Date, in “Summary—Notes” and on the related Notes, and with respect to any Series of Notes of any Class issued after the Closing Date, at the applicable rate specified in the related offering circular supplement and on the related Notes.

"Series Interest Rates": Collectively, the Series Interest Rate for each Class of Notes.

"Servicer": For each Reference Obligation, any trustee, servicer, sub servicer, master servicer, fiscal agent, paying agent or other similar entity responsible for calculating payment amounts or providing reports pursuant to the related Underlying Instruments.

"Servicer Reports": For each Reference Obligation, periodic statements or reports regarding such Reference Obligation provided by the related Servicer to holders of such Reference Obligation.

"Share Trustee": The administrator as the trustee pursuant to the terms of a charitable trust.

"Spot FX Rate": A rate of exchange determined on any measurement date by the Credit Default Swap Calculation Agent as the prevailing rate of exchange (expressed as a number rounded to four decimal places) of Australian Dollars, Canadian Dollars, Euro, New Zealand Dollars, Sterling, Yen or other Approved Currencies, as the case may be, for Dollars at such time.

"Stated Maturity": With respect to any security or debt obligation, including a Note, the date specified in such security or debt obligation as the fixed date on which the final payment of principal of such security or debt obligation is due and payable or, if such date is not a Business Day, the next following Business Day. The Stated Maturity of the Notes issued on the Closing Date is March 1, 2038.

"Sterling" or "£": The lawful currency of the United Kingdom.

"Structured Corporate Security": A security that represents the debt of a corporate obligor through the creation of a trust and the pledge of specific corporate assets.

"Structured Finance Security": Any security that is an asset-backed security, mortgage-backed security, enhanced equipment trust certificate, collateralized debt obligation, collateralized bond obligation, collateralized loan obligation or similar instrument.
"Structured Product Security": Any of the following types of securities: ABS Future Flow Securities not classified as an Excluded Specified Type in accordance with the definition thereof, CDO Cashflow Securities, RMBS, CMBS, Wrapped Securities, MBS Debt Securities or Asset-Backed Securities.

"Synthetic CDO Security": Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Securities) on the cash flow from (and not the market value of) a portfolio of primarily credit default swaps and, if applicable, related securities.

"TARGET Settlement Day": Any day on which the TARGET System is open.

"TARGET System": The Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

"Trustee": LaSalle Bank National Association, solely in its capacity as Trustee for the Noteholders, unless a successor Person shall have become the Trustee pursuant to the applicable provisions of the Indenture, and thereafter "Trustee" shall mean such successor Person.

"Trustee Noteholder Communication Notice": A notice from the Trustee to the Noteholders that includes the contents of a Notesender Communication Notice that an Originating Noteholder has requested to be communicated to all other Noteholders, provided that the Trustee will not under any circumstances be required to include the identity of such Originating Noteholder in the related Trustee Noteholder Communication Notice.

"U.S. Person": The meaning specified under Regulation S.

"U.S. Resident": The meaning specified under the Investment Company Act.

"Underlying Assets": For each Reference Obligation, the assets securing such Reference Obligation for the benefit of the holders of such Reference Obligation and which are expected to generate the cashflows required for the servicing and repayment (in whole or in part) of such Reference Obligation, or the assets to which a holder of such Reference Obligation is economically exposed where such exposure is created synthetically.

"Underlying Instruments": The indenture and any credit agreement, assignment agreement, participation agreement, pooling and servicing agreement, trust agreement, instrument or other agreement pursuant to which an Obligation was issued and/or created and each other agreement that governs the terms of or secures such Obligation or of which holders of such Obligation are the beneficiaries, and any instrument evidencing or consisting of such Obligation.

"Unascled Redemption Refund Adjustment Amount": With respect to the Class Notional Amount of each Class of Notes on a Mandatory Redemption Date caused by a termination of the Credit Default Swap as a result of a default by the Protection Buyer, a termination of the Collateral Put Agreement as a result of a default by the Collateral Put Provider or a termination of the Basis Swap as a result of a default by the Basis Swap Counterparty or a Stated Maturity of any Series of such Class, the lesser of (i) the applicable Maximum Redemption Refund Amount determined on such date less the sum of the ICE Class Notional Amount Differentials for the Classes of Notes that are senior to such Class immediately prior to such determination and (ii) the ICE Class Notional Amount Differential of such Class immediately prior to such determination.

"USD Equivalent": An amount expressed in Dollars which is equal to (i) with respect to any Notes, the quotient of (a) the Currency Adjusted Aggregate Outstanding Amount of such Notes divided by (b) the Applicable Series Foreign Exchange Rate and (ii) with respect to any Collateral Securities, the
quotient of (a) the principal amount of such Collateral Security as expressed in its Approved Currency of denomination divided by (b) the Applicable Collateral Security Foreign Exchange Rate.

"Weighted Average Life": As of any measurement date, the number obtained by the Credit Default Swap Calculation Agent and confirmed by the Collateral Administrator with respect to the Collateral by (i) for each Collateral Security and each Eligible Investment, multiplying the USD Equivalent of each scheduled principal payment by the number of years (rounded to the nearest hundredth) from such measurement date until such scheduled principal payment is due; (ii) summing all of the products calculated pursuant to subclause (i); and (iii) dividing the sum calculated pursuant to subclause (ii) by the sum of the USD Equivalent of all scheduled principal payments due on all the Collateral Securities and Eligible Investments as of such measurement date, provided that for purposes of determining the Weighted Average Life of the Collateral, the number calculated under clause (i) with respect to Eligible Investments shall equal zero.

"Wrapped Securities": Securities (other than RMBS Agency Securities) that (i) have the benefit of a financial guarantee insurance policy or surety bond provided by a monoline or multi-line insurer and (ii) are rated "AAA" by S&P or "Aaa" by Moody's, which ratings may take into consideration such financial guarantee insurance policy or surety bond.

"Writedown Amount": On any day, with respect to any Reference Obligation that suffered a Writedown Credit Event, the product of (i) the amount of such Writedown with respect to such Reference Obligation on such day, (ii) the Applicable Percentage with respect to such Reference Obligation and (iii) if such Reference Obligation is not denominated in Dollars, the applicable National Foreign Exchange Rate.

"Writedown Reimbursement": For any Reference Obligation, at any time on or after the Closing Date, the occurrence of:

(i) a payment by or on behalf of the related Reference Entity of an amount in respect of the Reference Obligation in reduction of any prior Writedowns;

(ii) (A) an increase by or on behalf of the related Reference Entity of the Reference Obligation Outstanding Principal Amount to reflect the reversal of any prior Writedowns or (B) a decrease in the principal deficiency balance or realized loss amounts (however described in the Underlying Instruments) attributable to the Reference Obligation or

(iii) if the Underlying Instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in (ii) above to occur in respect of the Reference Obligation, an implied Writedown Reimbursement Amount being determined in respect of the Reference Obligation by the Credit Default Swap Calculation Agent.

"Writedown Reimbursement Amount": For any Reference Obligation, an amount equal to the product of (i) the sum of all Writedown Reimbursements related to such Reference Obligation on that day, (ii) the Applicable Percentage with respect to such Reference Obligation and (iii) if such Reference Obligation is not denominated in Dollars, the applicable National Foreign Exchange Rate.

"yen": The lawful currency of Japan.
EXHIBIT A: FORM OF NOTE OWNER CERTIFICATE

LaSalle Bank National Association
181 West Madison Street, 32nd Floor
Chicago, Illinois 60602
Attention: CDO Trust Services Group – ABACUS 2007-AC1, Ltd.
as Trustee and Issuing and Paying Agent

ABACUS 2007-AC1, Ltd.
P.O. Box 1059, GT
Guanabara House
South Church Street
George Town, Grand Cayman
Cayman Islands

ABACUS 2007-AC1, Inc.
850 Library Avenue, Suite 204
Newark, Delaware 19711

Re: Reports Prepared Pursuant to the Indenture, dated as of April 26, 2007 among ABACUS 2007-AC1, Ltd., ABACUS 2007-AC1, Inc. and LaSalle Bank National Association (the "Indenture”)

Ladies and Gentlemen,

The undersigned hereby certifies that it is the beneficial owner of U.S.$__________________________ in principal amount of the [Please check all that apply]:

- Class A-0 Notes
- Class A-1 Notes
- Class A-2 Notes
- Class B Notes
- Class C Notes
- Class D Notes
- Class H notes

and hereby requests the Trustee or the Issuing and Paying Agent, as applicable, to provide to it (or its designated nominee set forth below) at the following address or with respect to certain monthly accounting reports or certain other accounting reports, grant access to such information at the Trustee's website:

- Information with respect to certain tax matters (specified in Section 7.19 of the Indenture),
- Certain monthly accounting reports with respect to the Issuer Assets (specified in Section 10.5(a) of the Indenture),
- Certain accounting reports determined as of the Determination Date (specified in Section 10.5(b) of the Indenture)

Please return form to the Trustee:

IN WITNESS WHEREOF, the undersigned has caused this certificate to be duly executed this ____ day of

[NAME OF NOTE OWNER]

By: __________________________

Authorized Signature

Print Name Here

Address: __________________________

________________________

Exhibit-1

Confidential Treatment Requested by Goldman Sachs

GS M8S-E-001918218
VerDate Nov 24 2008

09:47 May 19, 2011

Jkt 066052

PO 00000

Frm 00933

Fmt 6602

Sfmt 6602

P:\DOCS\66052.TXT

SAFFAIRS

PsN: PAT

66052.929

929


## INDEX OF DEFINED TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>176</td>
</tr>
<tr>
<td>€</td>
<td>149</td>
</tr>
<tr>
<td>ABS</td>
<td>136</td>
</tr>
<tr>
<td>ABS Aircraft Securities</td>
<td>135</td>
</tr>
<tr>
<td>ABS Automobile Securities</td>
<td>128</td>
</tr>
<tr>
<td>ABS Car Rental Receivable Securities</td>
<td>129</td>
</tr>
<tr>
<td>ABS Credit Card Securities</td>
<td>123</td>
</tr>
<tr>
<td>ABS Future Flow Securities</td>
<td>129</td>
</tr>
<tr>
<td>ABS Health Care Receivable Securities</td>
<td>128</td>
</tr>
<tr>
<td>ABS Mutual Fund Fee Securities</td>
<td>120</td>
</tr>
<tr>
<td>ABS Other Security</td>
<td>130</td>
</tr>
<tr>
<td>ABS Small Business Loan Securities</td>
<td>130</td>
</tr>
<tr>
<td>ABS Structured Settlement Securities</td>
<td>130</td>
</tr>
<tr>
<td>ABS Student Loan Securities</td>
<td>130</td>
</tr>
<tr>
<td>ABS Subprime Auto Securities</td>
<td>131</td>
</tr>
<tr>
<td>ABS Tax Liens Securities</td>
<td>131</td>
</tr>
<tr>
<td>ABS Timeshare Securities</td>
<td>131</td>
</tr>
<tr>
<td>ACA Capital</td>
<td>85</td>
</tr>
<tr>
<td>ACA Capital Holdings</td>
<td>85</td>
</tr>
<tr>
<td>ACA Guaranty</td>
<td>85</td>
</tr>
<tr>
<td>ACA Management</td>
<td>255</td>
</tr>
<tr>
<td>ACA Risk Solutions</td>
<td>85</td>
</tr>
<tr>
<td>ACA Service</td>
<td>85</td>
</tr>
<tr>
<td>Actual Principal Amount</td>
<td>131</td>
</tr>
<tr>
<td>Actual Rating</td>
<td>131</td>
</tr>
<tr>
<td>Additional Issuance Principal Amount</td>
<td>13</td>
</tr>
<tr>
<td>Additional Issuance Upfront Payment</td>
<td>83</td>
</tr>
<tr>
<td>Administration Agreement</td>
<td>69</td>
</tr>
<tr>
<td>Administrative Expense Cap</td>
<td>122</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>122</td>
</tr>
<tr>
<td>Administrator</td>
<td>2</td>
</tr>
<tr>
<td>Adverse Tax Event</td>
<td>122</td>
</tr>
<tr>
<td>Advisers' Ad.</td>
<td>85</td>
</tr>
<tr>
<td>Affected Bank</td>
<td>84</td>
</tr>
<tr>
<td>Affiliates</td>
<td>132</td>
</tr>
<tr>
<td>Affiliated</td>
<td>132</td>
</tr>
<tr>
<td>Agency</td>
<td>132</td>
</tr>
<tr>
<td>Aggregate Implied Whitewall Down Amount</td>
<td>133</td>
</tr>
<tr>
<td>Aggregate USD Equivalent Outstanding</td>
<td>133</td>
</tr>
<tr>
<td>Alternative Debt Test</td>
<td>133</td>
</tr>
<tr>
<td>Amortized Collateral Security</td>
<td>13</td>
</tr>
<tr>
<td>Applicable Class Portfolio Selection Fee Rate</td>
<td>133</td>
</tr>
<tr>
<td>Applicable Collateral Security Foreign Exchange Rate</td>
<td>133</td>
</tr>
<tr>
<td>Applicable Index</td>
<td>133</td>
</tr>
<tr>
<td>Applicable Index Determination Date</td>
<td>134</td>
</tr>
<tr>
<td>Applicable Percentage</td>
<td>134</td>
</tr>
<tr>
<td>Applicable Period</td>
<td>134</td>
</tr>
<tr>
<td>Applicable Series Foreign Exchange Rate</td>
<td>134</td>
</tr>
</tbody>
</table>

---

Confidential Treatment Requested by Goldman Sachs
### Footnote Exhibits - Page 5003

<table>
<thead>
<tr>
<th>CDS Issuer Fixed Payment Subaccount</th>
<th>Collateral Security Substitution</th>
<th>Information Notice</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A Notes</td>
<td>Noteholder Refusal Notice</td>
<td></td>
</tr>
<tr>
<td>Class A-1 Notes</td>
<td>Collateral Security Substitution</td>
<td></td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>Refusal Notice</td>
<td></td>
</tr>
<tr>
<td>Class B Notes</td>
<td>Collateral Security Substitution</td>
<td></td>
</tr>
<tr>
<td>Class C Notes</td>
<td>Request Notice</td>
<td></td>
</tr>
<tr>
<td>Class D Notes</td>
<td>Collateral Weighted Average Life</td>
<td>72</td>
</tr>
<tr>
<td>Class FL Notes</td>
<td>Test</td>
<td></td>
</tr>
<tr>
<td>Class Interest Distribution Amount</td>
<td>Commercial Mortgage-Backed</td>
<td>145</td>
</tr>
<tr>
<td>Class Notional Amount</td>
<td>Securities</td>
<td></td>
</tr>
<tr>
<td>Class SS Notes</td>
<td>Conditions to Settlement</td>
<td>11</td>
</tr>
<tr>
<td>Cleaning Agencjes</td>
<td>Corporate Securities</td>
<td>145</td>
</tr>
<tr>
<td>Clearstream</td>
<td>Credit Default Swap</td>
<td>10</td>
</tr>
<tr>
<td>CLO Securities</td>
<td>Credit Default Swap Calculation</td>
<td></td>
</tr>
<tr>
<td>Closing Date</td>
<td>Date</td>
<td>114</td>
</tr>
<tr>
<td>Closing Date Expense Account</td>
<td>Credit Default Swap Early</td>
<td></td>
</tr>
<tr>
<td>CMBS</td>
<td>Termination Date</td>
<td></td>
</tr>
<tr>
<td>CMBS Conduit Securities</td>
<td>Credit Default Swap Early Event</td>
<td></td>
</tr>
<tr>
<td>CMBS Credit Tenant Lease Securities</td>
<td>Credit Default Swap Early</td>
<td></td>
</tr>
<tr>
<td>CMBS Franchise Securities</td>
<td>Termination Date</td>
<td></td>
</tr>
<tr>
<td>CMBS Large Loan Securities</td>
<td>Date</td>
<td></td>
</tr>
<tr>
<td>CMBS REMIC Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Code</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-Issuer Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-Issuer Common Stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Administration Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Administrator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Default</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Disposal Agent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Disposal Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Interest Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Put Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Put Agreement Early</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Termination Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Put Agreement Event of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defaulmt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Put Agreement Termination</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Put Provider</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Put Provider Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Put Provider Credit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Provider</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Put Provider Fee Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Securities Principal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Security Amortization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral Security Quantity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constraint</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001916224
Footnote Exhibits - Page 5004

<table>
<thead>
<tr>
<th>Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due Period</td>
<td>146</td>
</tr>
<tr>
<td>Eligible BTE Collateral Security</td>
<td>146</td>
</tr>
<tr>
<td>Eligible Country</td>
<td>146</td>
</tr>
<tr>
<td>Eligible Investment</td>
<td>146</td>
</tr>
<tr>
<td>Emerging Market Country</td>
<td>87</td>
</tr>
<tr>
<td>Enhanced Equipment Trust Certificate</td>
<td>146</td>
</tr>
<tr>
<td>ERISA</td>
<td>107</td>
</tr>
<tr>
<td>ERISA Plans</td>
<td>109</td>
</tr>
<tr>
<td>EURIBOR</td>
<td>148</td>
</tr>
<tr>
<td>Euro</td>
<td>149</td>
</tr>
<tr>
<td>Eurodollar</td>
<td>149</td>
</tr>
<tr>
<td>Euros</td>
<td>149</td>
</tr>
<tr>
<td>Event of Default</td>
<td>49</td>
</tr>
<tr>
<td>Excess Deposition Proceeds</td>
<td>14</td>
</tr>
<tr>
<td>Excess Principal Amount</td>
<td>14</td>
</tr>
<tr>
<td>Exchange Act</td>
<td>149</td>
</tr>
<tr>
<td>Excluded Specified Types</td>
<td>149</td>
</tr>
<tr>
<td>Expected Principal Amount</td>
<td>149</td>
</tr>
<tr>
<td>Extended Termination Date</td>
<td>50</td>
</tr>
<tr>
<td>Failure to Pay Principal</td>
<td>84</td>
</tr>
<tr>
<td>Final Amortization Date</td>
<td>149</td>
</tr>
<tr>
<td>Filing</td>
<td>149</td>
</tr>
<tr>
<td>Face Payment</td>
<td>51</td>
</tr>
<tr>
<td>FSA</td>
<td>125</td>
</tr>
<tr>
<td>GBP/LIBOR</td>
<td>149</td>
</tr>
<tr>
<td>Global Notes</td>
<td>150</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>33</td>
</tr>
<tr>
<td>GS Group</td>
<td>150</td>
</tr>
<tr>
<td>GSI</td>
<td>18</td>
</tr>
<tr>
<td>Holder</td>
<td>150</td>
</tr>
<tr>
<td>ICE Aggregate USD Equivalent</td>
<td>151</td>
</tr>
<tr>
<td>Outstanding Amount</td>
<td>151</td>
</tr>
<tr>
<td>ICE Aggregate USD Equivalent</td>
<td>151</td>
</tr>
<tr>
<td>Outstanding Amount Differential</td>
<td>151</td>
</tr>
<tr>
<td>ICE Class Collateral Amount</td>
<td>152</td>
</tr>
<tr>
<td>ICE Class National Amount Differential</td>
<td>152</td>
</tr>
<tr>
<td>ICE Credit Event Adjustment Amount</td>
<td>151</td>
</tr>
<tr>
<td>ICE Currency Adjusted Accrued Interest</td>
<td>152</td>
</tr>
<tr>
<td>Amount</td>
<td>152</td>
</tr>
<tr>
<td>ICE Currency Adjusted Aggregate</td>
<td>152</td>
</tr>
<tr>
<td>Outstanding Amount</td>
<td>152</td>
</tr>
<tr>
<td>ICE Currency Adjusted Aggregate</td>
<td>152</td>
</tr>
<tr>
<td>Outstanding Amount Differential</td>
<td>152</td>
</tr>
<tr>
<td>ICE Currency Adjusted Interest</td>
<td>152</td>
</tr>
<tr>
<td>Differential</td>
<td>152</td>
</tr>
<tr>
<td>ICE Currency Adjusted Interest</td>
<td>152</td>
</tr>
<tr>
<td>Reinvestment Amount</td>
<td>152</td>
</tr>
<tr>
<td>ICE Currency Adjusted Reinvestment Amount</td>
<td>153</td>
</tr>
<tr>
<td>ICE Loss Amount</td>
<td>153</td>
</tr>
<tr>
<td>ICE Reference Obligation National Amount</td>
<td>153</td>
</tr>
<tr>
<td>Amount</td>
<td>154</td>
</tr>
<tr>
<td>ICE Reference Obligation National Amount</td>
<td>154</td>
</tr>
<tr>
<td>Amount Differential</td>
<td>154</td>
</tr>
<tr>
<td>ICE Unsold Credit Event Adjustment Amount</td>
<td>151</td>
</tr>
<tr>
<td>Implied Rating</td>
<td>151</td>
</tr>
<tr>
<td>Implied Volatility</td>
<td>154</td>
</tr>
<tr>
<td>Implied Volatility Percentage</td>
<td>154</td>
</tr>
<tr>
<td>Implied Volatility Reimbursement Amount</td>
<td>154</td>
</tr>
<tr>
<td>Indenture</td>
<td>33</td>
</tr>
<tr>
<td>Independent</td>
<td>154</td>
</tr>
<tr>
<td>Indirect Participants</td>
<td>113</td>
</tr>
<tr>
<td>Initial Class National Amount</td>
<td>154</td>
</tr>
<tr>
<td>Initial Collateral Securities</td>
<td>71</td>
</tr>
<tr>
<td>Initial Face Amount</td>
<td>154</td>
</tr>
<tr>
<td>Initial Factor</td>
<td>154</td>
</tr>
<tr>
<td>Initial Purchase</td>
<td>153</td>
</tr>
<tr>
<td>Initial Reference Obligation National</td>
<td>155</td>
</tr>
<tr>
<td>Amount</td>
<td>155</td>
</tr>
<tr>
<td>Initial Reference Portfolio</td>
<td>155</td>
</tr>
<tr>
<td>Initial Reference Portfolio National</td>
<td>155</td>
</tr>
<tr>
<td>Amount</td>
<td>155</td>
</tr>
<tr>
<td>Insured</td>
<td>155</td>
</tr>
<tr>
<td>Interest Accrual Period</td>
<td>155</td>
</tr>
<tr>
<td>Interest Accrual Period</td>
<td>155</td>
</tr>
<tr>
<td>Interest Collection Account</td>
<td>86</td>
</tr>
<tr>
<td>Interest Distribution Amount</td>
<td>155</td>
</tr>
<tr>
<td>Interest Proceeds</td>
<td>155</td>
</tr>
<tr>
<td>Investment Company</td>
<td>154</td>
</tr>
<tr>
<td>Investment Company Account</td>
<td>154</td>
</tr>
<tr>
<td>Investment Company Shares</td>
<td>106</td>
</tr>
<tr>
<td>IRS</td>
<td>92</td>
</tr>
<tr>
<td>ISDA</td>
<td>10</td>
</tr>
<tr>
<td>ISDA Master Agreement</td>
<td>10</td>
</tr>
<tr>
<td>Issue Date</td>
<td>91</td>
</tr>
<tr>
<td>Issuer</td>
<td>2</td>
</tr>
<tr>
<td>Issuer Notes</td>
<td>156</td>
</tr>
<tr>
<td>Issuer Note Register</td>
<td>156</td>
</tr>
<tr>
<td>Issuer Note Register</td>
<td>156</td>
</tr>
<tr>
<td>Issuer Notes</td>
<td>156</td>
</tr>
<tr>
<td>Issuer Notes Distribution Agreement</td>
<td>88</td>
</tr>
<tr>
<td>Issuer Ordinary Shares</td>
<td>2, 88</td>
</tr>
<tr>
<td>Issuer Ordinary Shares</td>
<td>2, 88</td>
</tr>
<tr>
<td>Issuing and Paying Agency Agreement</td>
<td>4</td>
</tr>
<tr>
<td>Issuing and Paying Agent</td>
<td>4</td>
</tr>
<tr>
<td>JPY/LIBOR</td>
<td>156</td>
</tr>
<tr>
<td>Legal Final Maturity Date</td>
<td>157</td>
</tr>
<tr>
<td>LIBOR</td>
<td>157</td>
</tr>
<tr>
<td>LIBOR Swap Rate</td>
<td>158</td>
</tr>
<tr>
<td>LIBOR Swaps</td>
<td>158</td>
</tr>
<tr>
<td>Listing, Paying and Transfer Agent</td>
<td>43</td>
</tr>
<tr>
<td>London Banking Day</td>
<td>156</td>
</tr>
<tr>
<td>Loss Amount</td>
<td>12</td>
</tr>
<tr>
<td>Majority</td>
<td>158</td>
</tr>
<tr>
<td>Maturity Amount</td>
<td>158</td>
</tr>
<tr>
<td>Maturity Amount</td>
<td>39</td>
</tr>
<tr>
<td>Mandatory Redemption</td>
<td>43</td>
</tr>
<tr>
<td>Material Contracts</td>
<td>128</td>
</tr>
<tr>
<td>Maximum Redemption Refund Amount</td>
<td>159</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0001918225
Footnote Exhibits - Page 5005

<table>
<thead>
<tr>
<th>Monthly Basis Swap Payment</th>
<th>74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's</td>
<td>159</td>
</tr>
<tr>
<td>Moody's Rating</td>
<td>159</td>
</tr>
<tr>
<td>Moody's Rating Condition</td>
<td>161</td>
</tr>
<tr>
<td>Mortgage-Backed Securities</td>
<td>161</td>
</tr>
<tr>
<td>New Zealand Dollar</td>
<td>161</td>
</tr>
<tr>
<td>Non-Cash Period</td>
<td>4</td>
</tr>
<tr>
<td>Non-Permited ERISA Plan Holder</td>
<td>116</td>
</tr>
<tr>
<td>non-U.S. Holder</td>
<td>106</td>
</tr>
<tr>
<td>Non-U.S. Obligor</td>
<td>181</td>
</tr>
<tr>
<td>Note Calculation Agent</td>
<td>35</td>
</tr>
<tr>
<td>Note Payment Sequence</td>
<td>151</td>
</tr>
<tr>
<td>Note Register</td>
<td>152</td>
</tr>
<tr>
<td>Note Registrar</td>
<td>152</td>
</tr>
<tr>
<td>Note Scaling Factor</td>
<td>152</td>
</tr>
<tr>
<td>Noteholder</td>
<td>152</td>
</tr>
<tr>
<td>Noteholder Communication Notice</td>
<td>152</td>
</tr>
<tr>
<td>Notes</td>
<td>162</td>
</tr>
<tr>
<td>Notice Delivery Period</td>
<td>80</td>
</tr>
<tr>
<td>Notice of Default</td>
<td>49</td>
</tr>
<tr>
<td>Notice of Public Available Information</td>
<td>162</td>
</tr>
<tr>
<td>National Foreign Exchange Rate</td>
<td>162</td>
</tr>
<tr>
<td>National Principal Adjustment Amount</td>
<td>8</td>
</tr>
<tr>
<td>National Principal Amount</td>
<td>162</td>
</tr>
<tr>
<td>NZ$</td>
<td>161</td>
</tr>
<tr>
<td>NZO</td>
<td>162</td>
</tr>
<tr>
<td>NZO-ERR</td>
<td>163</td>
</tr>
<tr>
<td>OID</td>
<td>98</td>
</tr>
<tr>
<td>Optional Redemption Date</td>
<td>163</td>
</tr>
<tr>
<td>Optional Redemption Amount</td>
<td>163</td>
</tr>
<tr>
<td>Optional Redemption in Whole</td>
<td>36</td>
</tr>
<tr>
<td>Original Principal Amount</td>
<td>164</td>
</tr>
<tr>
<td>Original Funding Amount</td>
<td>164</td>
</tr>
<tr>
<td>Outstanding</td>
<td>164</td>
</tr>
<tr>
<td>Participation</td>
<td>47</td>
</tr>
<tr>
<td>Partial Optional Redemption</td>
<td>37</td>
</tr>
<tr>
<td>Particulars in Interest</td>
<td>111</td>
</tr>
<tr>
<td>Payment Account</td>
<td>108</td>
</tr>
<tr>
<td>Payment Date</td>
<td>165</td>
</tr>
<tr>
<td>Payment Deficit</td>
<td>165</td>
</tr>
<tr>
<td>PFR</td>
<td>161</td>
</tr>
<tr>
<td>Plan Asset Regulations</td>
<td>100</td>
</tr>
<tr>
<td>Plan</td>
<td>107</td>
</tr>
<tr>
<td>Portfolio Interest exemption</td>
<td>2</td>
</tr>
<tr>
<td>Portfolio Selection Agent</td>
<td>65</td>
</tr>
<tr>
<td>Portfolio Selection Agreement</td>
<td>165</td>
</tr>
<tr>
<td>Portfolio Selection Fee</td>
<td>170</td>
</tr>
<tr>
<td>Posed Collateral</td>
<td>185</td>
</tr>
<tr>
<td>Previous Period Implied Widetown Amount</td>
<td>165</td>
</tr>
<tr>
<td>Principal Collection Account</td>
<td>167</td>
</tr>
<tr>
<td>Principal Payment</td>
<td>165</td>
</tr>
<tr>
<td>Principal Payment Amount</td>
<td>165</td>
</tr>
<tr>
<td>Principal Proceeds</td>
<td>166</td>
</tr>
<tr>
<td>Principal Shortfall Amount</td>
<td>166</td>
</tr>
<tr>
<td>Principal Shortfall Reimbursement Amount</td>
<td>166</td>
</tr>
<tr>
<td>Priority of Payments</td>
<td>44</td>
</tr>
<tr>
<td>Proceeds</td>
<td>180</td>
</tr>
<tr>
<td>Proposed New BEI Collateral Security</td>
<td>167</td>
</tr>
<tr>
<td>Protection Buyer</td>
<td>167</td>
</tr>
<tr>
<td>Protection Buyer Credit Support Document</td>
<td>197</td>
</tr>
<tr>
<td>Protection Buyer Credit Support Provider</td>
<td>167</td>
</tr>
<tr>
<td>Protection Buyer Default Termination Payment</td>
<td>167</td>
</tr>
<tr>
<td>Protection Buyer Notes</td>
<td>167</td>
</tr>
<tr>
<td>PTCE</td>
<td>167</td>
</tr>
<tr>
<td>Publicly Available Information</td>
<td>167</td>
</tr>
<tr>
<td>Purchase Agreement</td>
<td>168</td>
</tr>
<tr>
<td>Purchased Accrued Interest Amount</td>
<td>168</td>
</tr>
<tr>
<td>Put Excluded Collateral</td>
<td>168</td>
</tr>
<tr>
<td>Put Proceeds</td>
<td>168</td>
</tr>
<tr>
<td>QEB</td>
<td>52</td>
</tr>
<tr>
<td>Qualified Institutional Buyer</td>
<td>100</td>
</tr>
<tr>
<td>Qualified Purchaser</td>
<td>168</td>
</tr>
<tr>
<td>Qualified Rate Agreement</td>
<td>96</td>
</tr>
<tr>
<td>Rating Agencies</td>
<td>168</td>
</tr>
<tr>
<td>Rating Agency</td>
<td>168</td>
</tr>
<tr>
<td>Record Date</td>
<td>168</td>
</tr>
<tr>
<td>Redemption Refund Adjustment Amount</td>
<td>168</td>
</tr>
<tr>
<td>Redemption Widetown Refund</td>
<td>164</td>
</tr>
<tr>
<td>Reference Entity</td>
<td>169</td>
</tr>
<tr>
<td>Reference Obligation</td>
<td>169</td>
</tr>
<tr>
<td>Reference Obligation Amortization Amount</td>
<td>169</td>
</tr>
<tr>
<td>Reference Obligation Calculation Period</td>
<td>169</td>
</tr>
<tr>
<td>Reference Obligation National Amount</td>
<td>169</td>
</tr>
<tr>
<td>Reference Obligation Outstanding Amount</td>
<td>169</td>
</tr>
<tr>
<td>Reference Obligation Proceeds</td>
<td>169</td>
</tr>
<tr>
<td>Reference Obligation Registry</td>
<td>170</td>
</tr>
<tr>
<td>Reference Obligation Reimbursement Amount</td>
<td>170</td>
</tr>
<tr>
<td>Reference Obligation Amount</td>
<td>170</td>
</tr>
<tr>
<td>Reference Obligation Repayment Amount</td>
<td>170</td>
</tr>
<tr>
<td>Reference Event</td>
<td>11</td>
</tr>
<tr>
<td>Reference Portfolio</td>
<td>24</td>
</tr>
<tr>
<td>Reg S</td>
<td>170</td>
</tr>
<tr>
<td>Regulated</td>
<td>170</td>
</tr>
<tr>
<td>Regulation 9</td>
<td>55</td>
</tr>
<tr>
<td>Regulation S Global Notes</td>
<td>170</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918226
<table>
<thead>
<tr>
<th>Reinstatement Adjustment Amount</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>REIT</td>
<td>170</td>
</tr>
<tr>
<td>REIT Class Security</td>
<td>171</td>
</tr>
<tr>
<td>Relevant Implementation Date</td>
<td>124</td>
</tr>
<tr>
<td>Relevant Member State</td>
<td>124</td>
</tr>
<tr>
<td>Replacement Counterparty</td>
<td>88</td>
</tr>
<tr>
<td>Replacement Counterparty Annex</td>
<td>88</td>
</tr>
<tr>
<td>Reinstatement Counterparty</td>
<td>171</td>
</tr>
<tr>
<td>Required Basis Swap Counterparty</td>
<td>171</td>
</tr>
<tr>
<td>Residential Mortgage-Backed Securities</td>
<td>171</td>
</tr>
<tr>
<td>Reversible Loss Series</td>
<td>171</td>
</tr>
<tr>
<td>RMBS</td>
<td>171</td>
</tr>
<tr>
<td>RMBS Agency Securities</td>
<td>171</td>
</tr>
<tr>
<td>RMBS Home Equity Loan Securities</td>
<td>171</td>
</tr>
<tr>
<td>RMBS Manufactured Housing Loan</td>
<td>172</td>
</tr>
<tr>
<td>Securities</td>
<td></td>
</tr>
<tr>
<td>RMBS Residential A Mortgage Securities</td>
<td>172</td>
</tr>
<tr>
<td>RMBS Residential B/C Mortgage Securities</td>
<td>173</td>
</tr>
<tr>
<td>Rule 144A</td>
<td>173</td>
</tr>
<tr>
<td>Rule 144A Global Notes</td>
<td>173</td>
</tr>
<tr>
<td>S&amp;P Rating</td>
<td>173</td>
</tr>
<tr>
<td>S&amp;P Rating Condition</td>
<td>173</td>
</tr>
<tr>
<td>Sale Proceeds</td>
<td>175</td>
</tr>
<tr>
<td>Scheduled Termination Date</td>
<td>60</td>
</tr>
<tr>
<td>SEC</td>
<td>70</td>
</tr>
<tr>
<td>SECurities</td>
<td>175</td>
</tr>
<tr>
<td>Securities Act</td>
<td>176</td>
</tr>
<tr>
<td>Securities Intermediary</td>
<td>176</td>
</tr>
<tr>
<td>Selected Collateral Securities</td>
<td>176</td>
</tr>
<tr>
<td>Series</td>
<td>176</td>
</tr>
<tr>
<td>Series Interest Amount</td>
<td>176</td>
</tr>
<tr>
<td>Series Interest Amounts</td>
<td>176</td>
</tr>
<tr>
<td>Series Interest Rate</td>
<td>176</td>
</tr>
<tr>
<td>Series Interest Rates</td>
<td>176</td>
</tr>
<tr>
<td>Service Provider Exemption</td>
<td>138</td>
</tr>
<tr>
<td>Service Provider Exemption</td>
<td>138</td>
</tr>
<tr>
<td>Servicer Reports</td>
<td>175</td>
</tr>
<tr>
<td>Servicer Reports</td>
<td>175</td>
</tr>
<tr>
<td>SBA</td>
<td>125</td>
</tr>
<tr>
<td>Share Transfer</td>
<td>176</td>
</tr>
<tr>
<td>Special Termination Liquidation Procedure</td>
<td>40</td>
</tr>
<tr>
<td>Special Termination Notice</td>
<td>40</td>
</tr>
<tr>
<td>Special Termination Request Notice</td>
<td>40</td>
</tr>
<tr>
<td>Specific U.S. Tax Court</td>
<td>53</td>
</tr>
<tr>
<td>Spot FX Rate</td>
<td>176</td>
</tr>
<tr>
<td>Stated Maturity</td>
<td>176</td>
</tr>
<tr>
<td>Staying</td>
<td>176</td>
</tr>
<tr>
<td>Structured Corporate Security</td>
<td>176</td>
</tr>
<tr>
<td>Structured Finance Security</td>
<td>176</td>
</tr>
<tr>
<td>Structured Product Security</td>
<td>177</td>
</tr>
<tr>
<td>Subordinated Securitization</td>
<td>73</td>
</tr>
<tr>
<td>Supplemental Collateral Securities</td>
<td>14</td>
</tr>
<tr>
<td>Synthetic CDO Security</td>
<td>177</td>
</tr>
<tr>
<td>TARGET Settlement Date</td>
<td>177</td>
</tr>
<tr>
<td>TARGET System</td>
<td>177</td>
</tr>
<tr>
<td>Terminated Date</td>
<td>70</td>
</tr>
<tr>
<td>Trustee</td>
<td>177</td>
</tr>
<tr>
<td>Trustee Noticeholder Communication</td>
<td>177</td>
</tr>
<tr>
<td>U.S. business</td>
<td>177</td>
</tr>
<tr>
<td>U.S. Person</td>
<td>177</td>
</tr>
<tr>
<td>U.S. Resident</td>
<td>123, 177</td>
</tr>
<tr>
<td>Underlying Assets</td>
<td>177</td>
</tr>
<tr>
<td>Underlying Instruments</td>
<td>177</td>
</tr>
<tr>
<td>Unsecured Credit Event Adjustment Amount</td>
<td>7</td>
</tr>
<tr>
<td>Unsecured Notional Principal Adjustment Amount</td>
<td>7</td>
</tr>
<tr>
<td>Unsecured Redemption Refund</td>
<td>177</td>
</tr>
<tr>
<td>Unsecured Reinstatement Adjustment Amount</td>
<td>8</td>
</tr>
<tr>
<td>Unsecured Upfront Payment</td>
<td>60</td>
</tr>
<tr>
<td>USD Equivalent</td>
<td>177</td>
</tr>
<tr>
<td>Weighted Average Life</td>
<td>175</td>
</tr>
<tr>
<td>Weighted Securities</td>
<td>175</td>
</tr>
<tr>
<td>Withdraw</td>
<td>84</td>
</tr>
<tr>
<td>Withdraw Amount</td>
<td>175</td>
</tr>
<tr>
<td>Withdrawal Reimbursement</td>
<td>175</td>
</tr>
<tr>
<td>Withdrawal Reimbursement Amount</td>
<td>175</td>
</tr>
<tr>
<td>Yes</td>
<td>178</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

QS MBS-E-001918227
REGISTERED OFFICES OF THE ISSUERS

ABACUS 2007-AC1, Ltd.
P.O. Box 1093 GT
Queensgate House
South Church Street
George Town, Grand Cayman
Cayman Islands

ABACUS 2007-AC1, Inc.
850 Library Avenue
Suite 204
Newark, Delaware 19711

TRUSTEE, PRINCIPAL PAYING AGENT, TRANSFER AGENT AND REGISTRAR

LaSalle Bank National Association
161 West Madison Street, 32nd Floor
Chicago, Illinois 60602

LEGAL ADVISORS

To the Issuer
As to matters of United States Law
McKee Nelson LLP
One Battery Park Plaza
New York, New York 10204

As to matters of Cayman Islands Law
Maples and Calder
P.O. Box 309 GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

To the Initial Purchaser
McKee Nelson LLP
One Battery Park Plaza
New York, New York 10004

To the Portfolio Selection Agent
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918228
No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Offering Circular. You must not rely on any unauthorized information or representations. This Offering Circular is an offer to sell only the Notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Offering Circular is current only as of its date.
Footnote Exhibits - Page 5009

GREYWOLF CLO I, LTD.  
(Incorporated with limited liability in the Cayman Islands)

GREYWOLF CLO I, CORP.  
U.S.$2,000,000 Class A Floating Rate Notes, Due 2014  
U.S.$2,000,000 Class B Floating Rate Notes, Due 2021  
U.S.$5,000,000 Class C Floating Rate Notes, Due 2021  
U.S.$10,000,000 Class D Floating Rate Notes, Due 2021  
U.S.$17,500,000 Class E Floating Rate Notes, Due 2021

Secured (With Respect to the Secured Notes) Primarily by a Portfolio of Loans that are Senior Secured Loans

The Securities are being offered hereby by Goldman, Sachs & Co. (the "Initial Purchaser") in the United States to Qualified Institutional Buyers in reliance on Rule 144A of another exemption under the Securities Act and, solely in the case of the Subordinated Securities, to Accredited Investors in transactions exempt from registration under the Securities Act, in addition to the offering of such Securities by Goldman, Sachs & Co. in the United States, Goldman, Sachs & Co., acting through its agents, is concurrently offering the Securities outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act.

See "Risk Factors" beginning on page 11 to read about factors you should consider before buying any Security.

There is no established trading market for the Securities. Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directive 2003/111/EC, for the Offering Circular (the "Offering Circular") to be approved. Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Irish Stock List and to trading on its regulated market. Such approval relates only to Securities which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2003/111/EC or which are to be offered to the public in any Member State of the European Economic Area. This document is considered an advertisement for purposes of applicable measures implementing E.U. Directive 2003/111/EC. Upon lining on the Irish Stock Exchange being granted, a "prospectus" prepared pursuant to the Prospectus Directive will be published, which can be obtained from the Issuer. There can be no assurance that such listing will be approved or maintained.

It is a condition of the issuance of the Securities that the Class A Notes and the Class A Notes be issued with a rating of "A3" by Moody's Investors Service, Inc. ("Moody's") and "A" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), that the Class B Notes be issued with a rating of at least "A3" by Moody's and at least "BBB" by S&P, that the Class C Notes be issued with a rating of at least "A2" by Moody's and at least "BBB" by S&P, that the Class D Notes be issued with a rating of at least "BB" by Moody's and at least "BBB" by S&P and that the Class E Notes be issued with a rating of at least "BBB" by Moody's and at least "BBB" by S&P. The Subordinated Securities will not be rated by any credit rating agency. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. See "Rating of the Securities." See "Underwriting" for a discussion of the terms and conditions of the purchase of the Securities by the Initial Purchaser.

Certain Pledged Assets of the Issuer are the sole source of payments on the Securities, the Securities do not constitute an interest in or obligations of and are not insured or guaranteed by, the holders of the Securities, the Collateral Manager, Goldman, Sachs & Co. and any Holders are not guarantors, co-makers or endorsers of the Securities. The Securities are not registered under the U.S. Securities Act of 1933, as amended, and, neither of the Issuer, the Collateral Manager, Goldman, Sachs & Co. or any Holder is a "dealer" as defined under the U.S. Securities Act and none of the Issuer, the Collateral Manager, Goldman, Sachs & Co. or any Holder is a "broker" as defined under the U.S. Securities Act. The Securities may not be offered, sold, subscribed for or otherwise transferred except in reliance on Regulation S under the U.S. Securities Act and shall not be offered, sold, subscribed for or otherwise transferred in reliance on any other Rule under the U.S. Securities Act or under any other Rule or Regulation of the U.S. Securities and Exchange Commission.

The Securities are offered by Goldman, Sachs & Co. and/or its agents, subject to the rights of the Initial Purchaser. The Initial Purchaser may resell the Securities to or through underwriters, dealers and brokers and may retain any margins or other compensation in connection therewith and may invest in or retain any portion of the Securities for its own account. The Initial Purchaser may deal or arrange for others to deal in the Securities for the purpose of facilitating the public offering. The Initial Purchaser, the Collateral Manager, Goldman, Sachs & Co. and any Holder are not imposing any restrictions on the resale of the Securities. The Initial Purchaser, the Collateral Manager, Goldman, Sachs & Co. and any Holder are not making any representation or warranty that the Initial Purchaser, the Collateral Manager, Goldman, Sachs & Co. or any Holder is not a dealer or a broker or that the Initial Purchaser, the Collateral Manager, Goldman, Sachs & Co. or any Holder is not an affiliate of a dealer or a broker.

The Securities are being offered to persons who qualify as "Institutional Investors" pursuant to paragraph 2.7 of the ISDA Master Agreement. The Securities are being offered to persons who qualify as "Eligible counterparties" pursuant to paragraph 2.8 of the ISDA Master Agreement. The Securities are neither offered nor sold, directly or indirectly, in the United States. The Securities are not being offered or sold in any other market or jurisdiction where the offer or sale would contravene the laws of that market or jurisdiction and are being offered or sold for the account of persons who qualify as "Eligible counterparties" pursuant to paragraph 2.8 of the ISDA Master Agreement.

The Securities are offered to persons who qualify as "Eligible counterparties" pursuant to paragraph 2.8 of the ISDA Master Agreement. The Securities are neither offered nor sold, directly or indirectly, in the United States. The Securities are not being offered or sold in any other market or jurisdiction where the offer or sale would contravene the laws of that market or jurisdiction and are being offered or sold for the account of persons who qualify as "Eligible counterparties" pursuant to paragraph 2.8 of the ISDA Master Agreement.

Goldman, Sachs & Co.

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918230

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 00942 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
GENERAL NOTICE

The information contained in this Offering Circular has been provided by the Issuers and other sources identified herein. No representation or warranty, express or implied, is made by the Initial Purchaser or the Collateral Manager (except with respect to the Collateral Manager only, the information set forth under the heading "The Collateral Manager") as to the accuracy or completeness of such information, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Initial Purchaser or the Collateral Manager (except with respect to the Collateral Manager only, the information set forth under the heading "The Collateral Manager").

The Issuers accept responsibility for the information contained in this Offering Circular (other than the information contained in this Offering Circular under the heading "The Collateral Manager", for which information only the Collateral Manager accepts responsibility) and, having made all reasonable inquiries, confirm that, to the best knowledge and belief of the Issuers, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuers (and with respect to the information contained in this Offering Circular under the heading "The Collateral Manager" only, the Collateral Manager) take responsibility accordingly.

No person has been authorized to give any information or to make any representation other than those contained in this Offering Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Securities.

The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.

Each purchaser of the Securities must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Securities or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required for the purchase, offer or sale by it of such Securities under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuers, the Collateral Manager or the Initial Purchaser shall have any responsibility therefor. Persons into whose possession this Offering Circular comes are required by the Issuers and the Initial Purchaser to inform themselves about and to observe all applicable laws and regulations. For a further description of certain restrictions on offering and sales of the Securities, see "Transfer Restrictions" and "Underwriting". This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Securities in any jurisdiction in which such offer or invitation would be unlawful.

No invitation may be made to the public in the Cayman Islands to subscribe for the Securities and this document may not be issued or passed to any such person.

Notwithstanding anything to the contrary herein, except as necessary to comply with securities laws, such as the pro forma information and the role descriptions, any pro forma financial statements and other information in this Offering Circular may be prepared by persons not the Issuers and as a result may not be correct or complete. Any such information may be prepared by persons not the Issuers and as a result may not be correct or complete. Any such information may be prepared by persons not the Issuers and as a result may not be correct or complete.

Any purchaser of Secured Notes who is not a bank (as defined in Regulation U promulgated by the Board of Governors of the Federal Reserve System ("Regulation U"); and is not required to register with the Federal Reserve) will not be subject to any provisions of Regulation U as a result of such investment in the Secured Notes. Any purchaser of the Securities who is a bank or who is already registered with the Federal Reserve as a Regulation U lender, generally will be able to obtain from any person to whom it extends a loan or, if such person is not a bank, to whom it extends credit secured by a note (as defined in Regulation U) a Federal Reserve Form U-1 (with bank lenders) or Form U-2 (for non-bank lenders). Any purchaser of Secured Notes will be responsible for any compliance with Regulation U, including the filing by the purchaser of any required registration or annual report.
Footnote Exhibits - Page 5011

-9-

Confidential Treatment Requested by Goldman Sachs

GS NBS-E-001918232
AVAILABLE INFORMATION

To permit compliance with the Securities Act in connection with the sale of the Securities in reliance on Rule 144A, the Issuer will be required under the Indenture to furnish upon request to a Holder or beneficial owner who is a Qualified Institutional Buyer of a Security sold in reliance on Rule 144A or a prospective investor who is a Qualified Institutional Buyer designated by such Holder or beneficial owner the information required to be delivered under Rule 144A(6)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g-3-2(b) under the Exchange Act. Neither of the Issuers expects to become such a reporting company or to be so exempt from reporting.

In accordance with the Indenture, the Trustee also will make available for inspection by Holders of the Securities certain reports or communications received from the Issuer.

Prior to making an investment decision, prospective Investors should ensure that they have sufficient knowledge, experience and access to professional advisors to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Securities and should carefully consider the nature of the Securities, the matters set forth elsewhere in this Offering Circular and the extent of their exposure to the risks described in "Risk Factors".

FORWARD LOOKING STATEMENTS

Any projections, forecasts and estimates contained herein are forward looking statements and are based upon certain reasonable assumptions. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results. Accordingly, the projections are only an estimate. Actual results may vary from the projections, and the variations may be material. Consequently, the inclusion of projections herein should not be regarded as a representation by the Issuer, the Co-Issuer, the Collateral Manager, the Trustee, any Hedge Counterparty, the Collateral Administrator, the Initial Purchaser or any of their respective Affiliates or any other person or entity of the results that will actually be achieved by the Issuer. None of the Issuer, the Co-Issuer, the Trustee, the Collateral Administrator, the Collateral Manager, the Initial Purchaser, any Hedge Counterparty, and their respective Affiliates has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.
SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in the Offering Circular. For a discussion of certain factors to be considered in connection with an investment in the Securities, see "Risk Factors".

Capitalized terms used herein but not defined shall have the meanings set forth under "Glossary of Defined Terms".

The Issuers and the Collateral Manager

The Issuers

Graywolf CLO I, Ltd. (the "Issuer"), an exempted company with limited liability incorporated under the laws of the Cayman Islands for the sole purpose of acquiring the Collateral Obligations and Eligible Investments, entering into, and performing its obligations under, any Hedge Agreements, the Purchase Agreement and the Collateral Management Agreement, issuing the Securities and engaging in certain related transactions.

The Issuer will not have any material assets other than: (i) a portfolio of assets consisting primarily of Dollar-denominated loans (including Assignments or Participations), along with high yield debt securities, Finance Leases, Synthetic Securities and Structured Finance Securities; (ii) Eligible Investments, (iii) any Hedge Agreements as determined to be appropriate by the Collateral Manager and satisfactory to Moody's and S&P (iv) its rights under any Securities Lending Agreements; (v) its rights under the Collateral Management Agreement; (vi) its rights under the Purchase Agreement; and (vii) certain other assets.

Graywolf CLO I, Corp. (the "Co-Issuer" and, together with the Issuer, the "Issuers"), a company incorporated under the laws of the State of Delaware for the sole purpose of co-issuing the Co-Issued Notes, as described below.

The Co-Issuer will not have any assets other than $10 of equity capital and will not pledge any assets to secure the Co-Issued Notes. The Co-Issuer will have no claim against the Issuer in respect of the Collateral Obligations or otherwise.

The authorized share capital of the Issuer consists of 50,000 ordinary shares, par value $1.00 per share (the "Issuer Ordinary Shares", 250 of which will be issued on or prior to the Closing Date. The Issuer Ordinary Shares that have been issued and the common stock of the Co-Issuer will be held by Maples Finance Limited, a licensed trust company incorporated in the Cayman Islands and any successor thereto (the "Administrator"), as the trustee pursuant to a declaration of trust (the "Share Trustee").

The Collateral Manager

Graywolf Capital Management LP ("Graywolf") or any successor thereto (the "Collateral Manager"), will perform certain advisory and administrative functions with respect to the Issuer as collateral manager. The Collateral Manager and the Issuer will enter into a Collateral Management Agreement, dated as of the Closing Date (the "Collateral Management Agreement").
One or more funds managed by Greywolf will commit to purchase up to 100% of the initial notional amount of the Subordinated Securities. Thereafter, such funds may transfer or sell any such Subordinated Securities held thereby at any time or from time to time.

The Trustee ........................................ The Bank of New York Trust Company, National Association solely in its capacity as trustee (the “Trustee”) for the Securityholders, unless a successor Person shall have become the Trustee pursuant to the applicable provisions of the Indenture, and thereafter “Trustee” shall mean such successor Person.
## Footnote Exhibits - Page 5016

### The Offering

#### Securities Issued

<table>
<thead>
<tr>
<th>Class Designation</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original principal amount</td>
<td>$2,000,000</td>
<td>$100,000,000</td>
<td>$2,000,000</td>
<td>$100,000,000</td>
<td>$1,000,000,000</td>
</tr>
<tr>
<td>Expected original life</td>
<td>3 years</td>
<td>6 years</td>
<td>6 years</td>
<td>10 years</td>
<td>N/A</td>
</tr>
<tr>
<td>Minimum original life</td>
<td>90 days</td>
<td>180 days</td>
<td>360 days</td>
<td>360 days</td>
<td>N/A</td>
</tr>
<tr>
<td>Rate Maturity</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Rate X</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Rate Y</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Rate Z</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Rate A</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Rate B</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Rate C</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Rate D</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Characteristic of Charge or Cash Flow</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

#### Fifteen days prior to the applicable Payment Date

**Confidential Treatment Requested by Goldman Sachs**

GS MBS-E-0519182374
Status and Subordination

The Co-Issued Notes will be limited recourse secured obligations of the Issuer, the Class E Notes will be limited recourse secured obligations of the Issuer and the Subordinated Securities will be limited recourse unsecured obligations of the Issuer. Except as provided in the succeeding paragraph, with respect to both payment of interest and principal, the Class D Notes will be senior in right of payment on each Payment Date to the Class A Notes, Class B Notes, the Class C Notes, the Class E Notes and the Subordinated Securities, with respect to both payment of interest and principal, the Class A Notes will be senior in right of payment on each Payment Date to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Securities; with respect to both payment of interest and principal, the Class B Notes will be senior in right of payment on each Payment Date to the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Securities; with respect to both payment of interest and principal, the Class C Notes will be senior in right of payment on each Payment Date to the Class D Notes, the Class E Notes and the Subordinated Securities; with respect to both payment of interest and principal, the Class E Notes will be senior in right of payment on each Payment Date to the Subordinated Securities; and with respect to both payment of interest and principal, the Class E Notes will be senior in right of payment on each Payment Date to the Subordinated Securities.

Subject to the Priority of Payments, the right of the senior most Class of Secured Notes to be paid prior to a subordinate Class of Secured Notes does not apply if: (i) Interest Proceeds and Principal Proceeds are applied to the repayment of Deferral Interest of any Class of Secured Notes; or (ii) Interest Proceeds are applied to repay Class E Notes as a result of the failure of the Class E Par Value Test, as described in subclause (a)(ix) under "Disposition of the Securities—Priority of Payments—Interest Proceeds".

Use of Proceeds

The aggregate proceeds of the offering of the Securities are expected to equal approximately $922,000,000. Such proceeds will be used by the Issuer (i) to pay expenses related to the offering of the Securities, (ii) to pay the Issuer's obligations under certain warehouse arrangements with respect to a portfolio of Collateral Obligations acquired during the Accumulation Period or to purchase additional Collateral Obligations, (iii) to enter into one or more Hedge Agreements on or after the Closing Date, (iv) to deposit an amount equal to the Expense Reserve Amount in the Expense Reserve Account and (v) to deposit into the Revolving Credit Facility Reserve Account an amount equal to the Future Drawdown Amount as of the Closing Date.

On the Effective Date, as long as the Minimum Par Value Test is satisfied as of such date, the Collateral Manager may, in its sole discretion, instruct the Trustee in writing to utilize up to $1,000,000 of Principal Proceeds and unused proceeds of the offering of the Securities for application as either Interest Proceeds or Principal Proceeds in accordance with the Priority of Payments and/or transfer to the Discretionary Reserve Account for future application of such funds as either Interest Proceeds or Principal Proceeds in accordance with the Priority of Payments, in each case on or before
the Payment Date in February 2008. See "Security for the Secured Notes—Principal Collection Account" and "—Discretionary Reserve Account."

On the Closing Date, the proceeds of the issuance of the Class S Notes in an amount equal to approximately $2,000,000 will be deposited in the Interest Collection Account. On or before the first Payment Date the Collateral Manager may (in its sole discretion) instruct the Trustee in writing to transfer all or a portion of funds in the Interest Collection Account (representing proceeds of the issuance of the Class S Notes) to the Principal Collection Account for application as Principal Proceeds.

It is expected that approximately $491,909,375 of the aggregate proceeds of the offering of the Secured Notes will be available to the issuer to satisfy its obligations under certain warehouse arrangements with respect to a portfolio of Collateral Obligations acquired during the Accumulation Period and to purchase additional Collateral Obligations.

**Distributions of Interest Proceeds and Deferred Interest**  
Interest Proceeds will be distributable to Holders of the Securities in accordance with the Priority of Payments. See "Description of the Securities—Priority of Payments."

With respect to any Class C Notes, Class D Notes or Class E Notes, for so long as any senior Class or Classes of Secured Notes are Outstanding, to the extent that funds are not available to pay the full amount of interest on such Class C Notes, Class D Notes or Class E Notes in accordance with the Priority of Payments, as described herein, the cumulative amount of interest not paid on such Class C Notes, Class D Notes or Class E Notes on any Payment Date and all Payment Dates preceding such Payment Date (the "Deferred Interest"), will be deferred and added to the principal amount of such Class C Notes, Class D Notes or Class E Notes, as applicable, and will bear interest at the Interest Rate applicable to such Class C Notes, Class D Notes or Class E Notes, as applicable, to the extent lawful and enforceable. The failure to pay interest on any such Class of Securities due to insufficient funds being available therefor in accordance with the Priority of Payments will not be an Event of Default under the indenture so long as any senior Class or Classes of Secured Notes are Outstanding. See "Description of the Securities—Interest" and "—Priority of Payments."

**Non-Call Period**  
The period from the Closing Date to and including the Business Day immediately preceding the February 2015 Scheduled Payment Date (the "Non-Call Period").

**Reinvestment Period**  
The period from the Closing Date to and including the Business Day immediately preceding the February 2014 Scheduled Payment Date (the "Reinvestment Period").

**Principal Payments on the Secured Notes**  
The following table sets forth the circumstances and dates upon which Holders of the Secured Notes will receive principal payments on their Secured Notes (in all cases, pursuant to the Priority of Payments).
<table>
<thead>
<tr>
<th>Event</th>
<th>Eligible Payment Date</th>
<th>Amount Payable in Accordance with the Priority of Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The payment of principal on the Secured Notes pursuant to the Note Payment Sequence, to the extent of available funds therein, if the Collateral Manager determined, in its sole judgment (which judgment shall not be subject to question as a result of subsequent events), that it was impractical or not beneficial to reinvest Principal Proceeds by the end of the investment Due Period</td>
<td>Any Scheduled Payment Date during the Reinvestment Period</td>
<td>Applicable Secured Note Redemption Price</td>
</tr>
<tr>
<td>Application of Principal Proceeds (other than with respect to Eligible Pool Reinvestment Proceeds that the Collateral Manager elects, in its sole judgment (which judgment shall not be subject to question as a result of subsequent events), to reinvest in Collateral Obligations or Eligible Investments to pay principal of the Secured Notes in accordance with the Priority of Payments)</td>
<td>Any Scheduled Payment Date after the Reinvestment Period</td>
<td>Applicable Secured Note Redemption Price</td>
</tr>
<tr>
<td>Repayment of Deferred Interest</td>
<td>Any Payment Date after the Effective Date</td>
<td>Amount of Deferred Interest</td>
</tr>
<tr>
<td>Effective Date Ratings: Downgrade Event</td>
<td>The Payment Date after the Effective Date</td>
<td>Applicable Secured Note Redemption Price</td>
</tr>
<tr>
<td>Mandatory redemption of the Secured Notes to satisfy Coverage Tests</td>
<td>Any Scheduled Payment Date or in the case of the Interest Coverage Tests any Scheduled Payment Date on or after the second Scheduled Payment Date</td>
<td>Applicable Secured Note Redemption Price</td>
</tr>
<tr>
<td>Optional redemption following a Withholding Tax Event</td>
<td>Any Business Day</td>
<td>Applicable Secured Note Redemption Price</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

OS MFS-E-001916240
### Footnote Exhibits - Page 5020

<table>
<thead>
<tr>
<th>Event</th>
<th>Eligible Payment Date</th>
<th>Amount Payable in Accordance with the Priority of Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optional Redemption by a Majority of the Subordinated Securities</td>
<td>Any Business Day after the Non-Call Period</td>
<td>Applicable Secured Note Redemption Price</td>
</tr>
<tr>
<td>Redemption by Refinancing by a Majority of the Subordinated Securities</td>
<td>Any Scheduled Payment Date after the Non-Call Period</td>
<td>Applicable Secured Note Redemption Price</td>
</tr>
</tbody>
</table>

See "Description of the Securities—Principal" "Priority of Payments," "Optional Redemption," "Redemption by Refinancing" and "The Indenture—Events of Default".

**Redemption by Refinancing**

Subject to the satisfaction of certain conditions described in "Description of the Securities—Redemption by Refinancing" and "The Indenture" the Holders of at least a Majority of the Subordinated Securities may direct the redemption of any Class of Secured Notes in whole but not in part on any Payment Date after the Non-Call Period by directing the Issuer to issue Replacement Notes, the proceeds of which will be used to fully redeem such Class or Classes of Secured Notes, as applicable. See "Description of the Securities—Redemption by Refinancing".

**Security for the Secured Notes**

The Secured Notes will be secured by (a) Collateral Obligations that are expected to be rated below investment grade, (b) Eligible Investments, (c) the Issuer's rights under the Collateral Management Agreement, any Hedge Agreements, the Purchase Agreement and any Securities Lending Agreements, (d) any proceeds held in the Issuer Accounts and (e) certain other assets of the Issuer as set forth in the Indenture. See "Risk Factors—Limited Recourse Obligations".

The Subordinated Securities will not be secured.

**Collateral Obligations**

An obligation will constitute a collateral obligation (a "Collateral Obligation") and will be eligible for purchase if, at the time it is purchased or entered into (or a commitment to purchase or enter into such Collateral Obligation), it satisfies the following criteria ("Eligibility Criteria"): (i) it is (1) an Assignment or Participation of a Loan; (2) a debt security (including, subject to clause (x) below, a debt security that provides for conversion to an Equity Security or has equity features attached); (3) a Finance Lease which has a Moody's Recovery Rate and an S&P Recovery Rate that is the same as or higher than the Moody's Recovery Rate and S&P Recovery Rate that Moody's and S&P, respectively, currently assign to Senior Secured Loans; (4) a Structured Finance Security; (5) a Synthetic Security; or (6) a Senior Secured Floating Rate Note, in all cases the

Confidential Treatment Requested by Goldman Sachs

QS MBS-E-001916241
payments with respect to which are not by the terms of such obligation payable in a currency other than Dollars;

(f) other than an Exchanged Defaulted Obligation, (1) if it is a Structured Finance Security, § (A) has a Moody’s Default Probability Rating of at least “Ba1” or (B) has an S&P Rating of at least “BB” and (C) if such Structured Finance Security is a CDO Security collateralized by CDO Securities, such collateral is not managed by the Collateral Manager or an Affiliate of the Collateral Manager and (2) for any other type of Collateral Obligation, it has a Moody’s Default Probability Rating of at least “D” and has an S&P Rating of at least “CC,” which S&P Rating in the case of the foregoing clauses (1) and (2) does not have a “L,” “P,” “Q,” “Q” or an “T” subscript;

(g) (1) it is issued by an Issuer organized in the United States of America or in a sovereign jurisdiction the long-term foreign currency rating of which is at least “AA” by S&P and at least “Aa2” by Moody’s, (2) it is a Tax Haven Collateral Obligation, (3) it is a Maritime Collateral Obligation or (4) it is issued by a Special Purpose Vehicle;

(h) it is eligible to be entered into by, sold, assigned or participated to, the Issuer;

(i) it provides for periodic payments of interest thereon in cash at least semi-annually, other than a Zero-Coupon Security or a Step-Up Coupon Security during a period for which no interest is payable;

(j) it is an obligation or a credit default swap upon which no payments are subject to withholding tax imposed by any jurisdiction unless the obligor thereof or counterparty with respect thereto is required to make “gross-up” payments that cover the full amount of any such withholding tax on an after-tax basis (other than withholding taxes with respect to any amendment fees, extension fees and consent fees on a Collateral Obligation, any lending fees received under a Securities Lending Agreement or any commitment fees associated with Collateral Obligations constituting Revolving Credit Facilities or Delayed Funding Term Loans);

(k) it is not a Defaulted Obligation (other than an Exchanged Defaulted Obligation);

(l) it is not a CDO Security managed by the Collateral Manager or an Affiliate of the Collateral Manager, or a CDO Security the payments upon which are based on the market value of the underlying portfolio;

(m) it is not a Credit Risk Obligation;

(n) it is not an obligation that at the time of purchase or commitment to purchase provides for conversion into an
Equity Security (1) automatically after a specified period of time or (2) at the option of the issuer thereof at any time;

(xvi) It is not the subject of an offer other than (x) an offer of publicly registered securities with equal or greater face value and substantially identical terms issued in exchange for securities issued under Rule 144A or (b) a Permitted Offer;

(xvii) It is not an obligation in which interest payments of which are scheduled to decrease (although interest payments may increase due to unscheduled events such as a decrease of the index relating to a Floating Rate Collateral Obligation), the change from a default rate of interest to a non-default rate or an improvement in the obligor's financial condition;

(xviii) It is not an obligation pursuant to which future advances or future payment obligations may be required, except for future advances under a Revolving Credit Facility or a Delayed Funding Term Loan or future payment obligations under a Synthetic Security, in each case, for which the Issuer has deposited funds in the Revolving Credit Facility Reserve Account or a Synthetic Security Collateral Account, as applicable, in an amount sufficient to meet such future advances in future payment obligations, as applicable;

(xix) It is not a security whose payment is subject to the non-occurrence of certain catastrophes specified in the documents governing such security;

(xx) It is not a Deferrable Interest Obligation that is currently deferring interest or paying interest "in kind," unless interest is otherwise payable in cash, unless the S&P Rating Condition has been satisfied with respect to the purchase of such obligation (for the avoidance of doubt, this subclause shall not be interpreted to prohibit the inclusion of an Exchanged Deferrable Obligation in the Collateral Portfolio in accordance with the provisions described herein);

(xxi) If such obligation provides for the payment of interest at a floating rate, such floating rate is determined by reference to (1) the Dollar prime rate, LIBOR, Euro rate or similar interbank offered rate or commercial deposit rate or (2) any other index so long as at the time such index was first referenced each of the Moody's Rating Condition and the S&P Rating Condition was satisfied;

(xxii) It provides for payment of principal in cash on or prior to its stated maturity; and

(xxiii) It is not any of the Securities.

Purchase of Collateral Obligations by the Closing Date

It is expected that, by the Closing Date, the Issuer will have purchased or executed, or entered into agreements to purchase or execute, with the net proceeds of the issuance of the Securities, a
Footnote Exhibits - Page 5023

portfolio of Collateral Obligations selected by the Collateral Manager constituting approximately 87% of the Aggregate Principal Amount of Collateral Obligations to be purchased or entered into by the Issuer, representing approximately $450,000,000 in Aggregate Principal Amount of the Collateral Obligations.

Effective Date Ratings Confirmation

The Issuer will request that each of the Rating Agencies confirm the initial ratings of the Secured Notes on the Effective Date. Such confirmation will be deemed to have been obtained from Moody’s, so long as certain tests are met and Moody’s has received delivery of certain documents specified in the Indenture. A failure to obtain (or to be deemed to have obtained, in the case of Moody’s only) the Rating Agencies’ confirmation of the initial ratings of the Secured Notes on the Effective Date will result in an Effective Date Ratings Downgrade Event.

It is very unlikely that the Rating Agencies will confirm their initial ratings of the Secured Notes if any of the Collateral Quality Tests, the Par Value Tests, the Concentration Limitations or the Minimum Par Value Ratio is not satisfied on the Effective Date. Accordingly, the Issuer will seek to purchase additional Collateral Obligations during the Initial Investment Period so that the Collateral Quality Tests, the Par Value Tests, the Concentration Limitations and the Minimum Par Value Ratio will be satisfied on the Effective Date. The occurrence of an Effective Date Ratings Downgrade Event will not cause an Event of Default with respect to the Secured Notes. See “Risk Factors—Effective Date Ratings Downgrade Event.”

Concentration Limitations

Collateral Obligations acquired for the Collateral Portfolio will be subject to the concentration limitations set forth in the table below (the “Concentration Limitations”):

<table>
<thead>
<tr>
<th>By Principal Balance (as an amount or a percentage of the Aggregate Principal Amount of the Collateral Portfolio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>11</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>13</td>
</tr>
<tr>
<td>14</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>16</td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>18</td>
</tr>
<tr>
<td>19</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918244
## Footnote Exhibits - Page 5024

<table>
<thead>
<tr>
<th>By Principal Balance (as an amount or a percentage of the Aggregate Principal Amount of the Collateral Portfolio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Structured Finance Securities</td>
</tr>
<tr>
<td>(b) Deferrable Interest Obligations</td>
</tr>
<tr>
<td>(c) Step-Up Coupon Securities</td>
</tr>
<tr>
<td>(d) Credit Line Obligations</td>
</tr>
<tr>
<td>(e) Provide for optional conversion by the holder of some equity features attached that may be considered Senior Equity</td>
</tr>
<tr>
<td>(f) Structured Finance Securities</td>
</tr>
<tr>
<td>(g) Collateral-Debt Obligations</td>
</tr>
<tr>
<td>(h) Non-U.S. Obligations</td>
</tr>
<tr>
<td>(i) Non-U.S. Obligations originated in any single European country</td>
</tr>
<tr>
<td>(j) Non-U.S. Obligations originated in any single emerging market country</td>
</tr>
<tr>
<td>(k) Non-U.S. Obligations originated in any jurisdiction other than Canada, any European country, or any Japanese country</td>
</tr>
<tr>
<td>(l) SIBOR</td>
</tr>
<tr>
<td>(m) Tax Haven Collateral Obligations</td>
</tr>
<tr>
<td>(n) Structured Finance Securities</td>
</tr>
<tr>
<td>(o) Provide for periodic interest payments (other than Step-Up Coupon Securities and Step-Up Coupon Bond Securities)</td>
</tr>
<tr>
<td>(p) Deferrable Interest Obligations, Step-Up Coupon Securities, and Collateral Obligations that provide for payment of interest less frequently than quarterly (other than Zero Coupon Securities and Step-Up Coupon Securities)</td>
</tr>
<tr>
<td>(q) Maturing after the Stated Maturity of the Securities, but no event shall occur within two years after such Stated Maturity of the Securities</td>
</tr>
<tr>
<td>(r) SIBOR tied to any single agent</td>
</tr>
</tbody>
</table>

---

### Coverage Tests and the Reinvestment Test

The following tables set forth the Coverage Tests and the Reinvestment Test (which are not part of the Coverage Tests), and with respect to each such Coverage Test and the Reinvestment Test, where applicable, the minimum values at which such Coverage Test and the Reinvestment Test is satisfied and the expected values (in the case of the Par Value Ratio) on the Effective Date.

#### Par Value Tests and Reinvestment Test

<table>
<thead>
<tr>
<th>Class</th>
<th>Required Par Value Ratio</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/B</td>
<td>114.6%</td>
<td>125.5%</td>
</tr>
<tr>
<td>C</td>
<td>109.1%</td>
<td>115.0%</td>
</tr>
<tr>
<td>D</td>
<td>103.6%</td>
<td>110.8%</td>
</tr>
<tr>
<td>E</td>
<td>101.5%</td>
<td>106.8%</td>
</tr>
</tbody>
</table>

- Reinvestment Test: 102.5% 106.6%

---

Confidential Treatment Requested by Goldman Sachs
## Footnote Exhibits - Page 5025

### INTEREST COVERAGE TESTS

<table>
<thead>
<tr>
<th>Class</th>
<th>Required Interest Coverage Ratio***</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/B</td>
<td>114.0%</td>
</tr>
<tr>
<td>C</td>
<td>109.1%</td>
</tr>
<tr>
<td>D</td>
<td>103.0%</td>
</tr>
</tbody>
</table>

* Should be equal to or greater than the stated percentages.
** Applicable as of the Effective Date and any Measurement Date thereafter.
*** Applicable as of the Second Determination Date and any Measurement Date thereafter.

The percentages specified herein are based on certain assumptions relating to the Collateral Portfolio as of the date hereof and such assumptions may change in the future. Therefore, there can be no assurances that the actual Par Value Ratios and the Reinvestment Test, as the case may be, on the Effective Date, will be the same as the expected ratios specified herein.

Collateral Quality Tests The following table sets forth the Collateral Quality Tests, and with respect to such Collateral Quality Test, where applicable, the values at which such Collateral Quality Test is satisfied and the expected values upon the Effective Date.

### THE COLLATERAL QUALITY TESTS

<table>
<thead>
<tr>
<th>Test</th>
<th>Value at which Test is Satisfied</th>
<th>Expected Effective Date Value*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity Test</td>
<td>Based on the table set forth below (the &quot;Ratings Matrix&quot;)</td>
<td>≥ 50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Weighted Average Spread</th>
<th>40</th>
<th>45</th>
<th>50</th>
<th>55</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.10%</td>
<td>2091</td>
<td>2150</td>
<td>2200</td>
<td>2255</td>
<td>2351</td>
</tr>
<tr>
<td>2.20%</td>
<td>2108</td>
<td>2183</td>
<td>2258</td>
<td>2313</td>
<td>2355</td>
</tr>
<tr>
<td>2.30%</td>
<td>2207</td>
<td>2242</td>
<td>2317</td>
<td>2382</td>
<td>2422</td>
</tr>
<tr>
<td>2.40%</td>
<td>2225</td>
<td>2288</td>
<td>2460</td>
<td>2423</td>
<td>2483</td>
</tr>
<tr>
<td>2.50%</td>
<td>2288</td>
<td>2346</td>
<td>2450</td>
<td>2513</td>
<td>2553</td>
</tr>
<tr>
<td>2.60%</td>
<td>2313</td>
<td>2404</td>
<td>2460</td>
<td>2533</td>
<td>2583</td>
</tr>
<tr>
<td>2.70%</td>
<td>2390</td>
<td>2483</td>
<td>2535</td>
<td>2603</td>
<td>2660</td>
</tr>
<tr>
<td>2.80%</td>
<td>2425</td>
<td>2508</td>
<td>2575</td>
<td>2643</td>
<td>2690</td>
</tr>
<tr>
<td>2.90%</td>
<td>2455</td>
<td>2543</td>
<td>2620</td>
<td>2679</td>
<td>2735</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918246
Notwithstanding the new column combinations set forth above, the Collateral Manager on behalf of the Issuer may (in its sole discretion) determine a combination of values that is not set forth above using linear interpolation between values set forth above in accordance with the Indenture. Upon determination of a combination of values using linear interpolation, the Collateral Manager shall identify such combination to the Trustee and such combination shall be deemed a “new column combination” for purposes of the Ratings Matrix.

<table>
<thead>
<tr>
<th>Test</th>
<th>Value at which Test is Satisfied</th>
<th>Expected Effective Date Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Rating Factor Test</td>
<td>Based on the Ratings Matrix, as modified by the addition of the Rating Factor Modifier.</td>
<td>≤ 2450</td>
</tr>
</tbody>
</table>

“Rating Factor Modifier,” as of any Measurement Date, will equal the number as calculated in the table below:

<table>
<thead>
<tr>
<th>Moody’s Weighted Average Recovery Rate as of such Measurement Date</th>
<th>Rating Factor Modifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 0.00%</td>
<td>the product of (i) the Moody’s Weighted Average Recovery Rate as of such Measurement Date minus 43.00% and (ii) $500</td>
</tr>
</tbody>
</table>

provided that, if the Moody’s Weighted Average Recovery Rate shall be (1) greater than or equal to 0.00%, then solely for purposes of the calculation of the Rating Factor Modifier, the Moody’s Weighted Average Recovery Rate shall equal 0.00% or (2) less than or equal to 43.00%, then solely for purposes of the calculation of the Rating Factor Modifier, the Moody’s Weighted Average Recovery Rate shall equal 43.00%.

Minimum Weighted Average Coupon Test

The Weighted Average Spread must equal or exceed the Minimum Weighted Average Spread set forth in the Ratings Matrix based upon the option chosen by the Collateral Manager as currently applicable to the Collateral Obligations.

See “Security for the Secured Notes—The Collateral Quality Tests—Minimum Weighted Average Coupon Test.”

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918247
### Footnote Exhibits - Page 5027

<table>
<thead>
<tr>
<th>Test</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Moody's Minimum Weighted Average Recovery Rate Test</strong></td>
<td>A test satisfied if, as of any Measurement Date, (i) the S&amp;P Weighted Average Recovery Rate determined with respect to the Class D Notes is greater than or equal to 52.80%, (ii) the S&amp;P Weighted Average Recovery Rate determined with respect to the Class A Notes is greater than or equal to 52.80%, (iii) the S&amp;P Weighted Average Recovery Rate determined with respect to the Class B Notes is greater than or equal to 52.80%, (iv) the S&amp;P Weighted Average Recovery Rate determined with respect to the Class C Notes is greater than or equal to 50.00%, (v) the S&amp;P Weighted Average Recovery Rate determined with respect to the Class D Notes is greater than or equal to 65.60% and (vi) the S&amp;P Weighted Average Recovery Rate determined with respect to the Class E Notes is greater than or equal to 65.60%.</td>
</tr>
<tr>
<td><strong>S&amp;P CDO Monitor Test</strong></td>
<td>Positive Class A Loss Differential, positive Class B Loss Differential, positive Class C Loss Differential, positive Class D Loss Differential and positive Class E Loss Differential.</td>
</tr>
</tbody>
</table>

* The values specified herein are based on certain assumptions relating to the Collateral Portfolio as of the date hereof and such assumptions may change in the future. Therefore, there can be no assurance that the actual values for the Collateral Quality Tests on the Effective Date will be the same as the values specified herein. The expected value shown for the Maximum Rating Factor Test is the expected value unadjusted by the Rating Factor Modifier.

See "Security for the Secured Notes—The Coverage Tests" and "—The Collateral Quality Tests".

### Reinvestment in Collateral Obligations

During the Reinvestment Period, other than as described under "Description of the Securities—Priority of Payments—Principal Proceeds,” Principal Proceeds received in respect of the Collateral Obligations will be applied, at the sole discretion of the Collateral Manager (i) to purchase Collateral Obligations so long as the Reinvestment Criteria are satisfied and/or (ii) if the Collateral Manager determines, in its sole discretion, that it is impractical or

Confidential Treatment Requested by Goldman Sachs
not beneficial to reinvest Principal Proceeds prior to the end of an
Investment Due Period, to the payment of principal on the Co-
issured Notes pursuant to the Note Payment Sequence.

In addition, during the Reinvestment Period, Interest Proceeds
remaining prior to the payment of certain unpaid subordinated
expenses and unpaid hedge termination payments, the distribution
to the Collateral Manager in respect of the Indenture Collateral
Management Fee and the distributions in respect of the
Subordinated Securities will be used to reinvest in Collateral
Obligations (or deposited into the Principal Collection Account or, if
required under the terms of the Indenture, the Subordinated
Securities Principal Collection Account, for investment in Eligible
Investments pending investment in additional Collateral Obligations
prior to the end of the Reinvestment Period) up to the amount
necessary to satisfy the Reinvestment Test (but not to exceed 50%
of such Interest Proceeds available). See "Description of the
Securities—Priority of Payments—Interest Proceeds".

Any Eligible Post Reinvestment Proceeds may also be used, in the
sole discretion of the Collateral Manager, after the Reinvestment
Period, but no later than the end of the applicable Investment Due
Period, to purchase Collateral Obligations, so long as the
Reinvestment Criteria are satisfied and, if not so used, shall be
applied in accordance with the Priority of Payments. See
"Description of the Securities—Priority of Payments—Additional
Proceeds".

Additional Issuance

Additional Securities of all existing Classes may be issued and sold,
and the Issuer may use the proceeds to purchase additional
Collateral Obligations and, if applicable, enter into Hedge
Agreements, subject to the terms and conditions set forth herein.
See "Description of the Securities—Additional Issuance".

Governing Law

The Securities, the Indenture, the Collateral Management
Agreement, any Hedge Agreements, the Collateral Administration
Agreement and the Securities Account Control Agreement will be
governed by, and construed in accordance with, the laws of the
State of New York.

Listing and Trading

There is currently no trading market for the Securities and there
can be no assurance that such a market will develop. See "Risk
Factors—Limited Liquidity and Restrictions on Transfer".

Application has been made to the Irish Financial Services
Regulatory Authority, as competent authority under Directive
2009/115/EC, for this Offering Circular to be approved. Application
has been made to the Irish Stock Exchange for the Securities to be
admitted to the Official List and to trading on its regulated market.
There can be no assurance that such listing will be approved or
maintained. Such listing, if obtained, may be discontinued in certain
circumstances. See "Risk Factors—Irish Stock Exchange Listing"
and "Listing and General Information".

Tax Status

See "Income Tax Considerations".

ERISA Considerations

See "ERISA Considerations".
RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider, in addition to the matters set forth elsewhere in this Offering Circular, the following factors:

Limited Liquidity and Restrictions on Transfer. There is currently no market for the Securities. Although Goldman, Sachs & Co. has advised the Issuer that it intends to make a market in the Securities, Goldman, Sachs & Co. is not obligated to do so, and any such marketing efforts with respect to the Securities may be discontinued at any time without notice. There can be no assurance that any secondary market for any of the Securities will develop, or, if a secondary market does develop, that it will provide the Holders of such Securities with liquidity of investment or that it will continue for the life of such Securities. Consequently, a purchaser must be prepared to hold the Securities for an indefinite period of time or until Stated Maturity. In addition, no sale, assignee, participation, pledge or transfer of the Securities may be effected if, among other things, it would require any of the Issuer, the Co-Issuer or any of their respective officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Securities will not be registered under the Securities Act of 1933, as amended, and the Issuer has no plans, and is under no obligation, to register the Securities under the Securities Act. The Securities are subject to certain transfer restrictions and can be transferred only in certain transfers as described herein under "Transfer Restrictions." Such restrictions on the transfer of the Securities may further limit their liquidity. See "Transfer Restrictions." Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directives 2003/71/EC, for this Offering Circular to be approved. Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and to trading on its regulated market. There can be no assurance that such listing will be approved or maintained.

Limited Recourse Obligations. The Co-Issued Notes will be limited recourse secured obligations of the Issuer and the Subordinated Securities will be limited recourse unsecured obligations of the Issuer. None of the Collateral Manager, the Securityholders, the Initial Purchaser, the Trustee, any Hedge Counterparty, the Administrator, the Share Trustee or any Affiliates of any of the foregoing or any other person or entity will be obligated to make payments on the Securities. Consequently, Holders of the Securities must rely solely on distributions on the Collateral for the payment of principal, interest and premium, if any, thereon. If distributions on the Collateral are insufficient to make payments on the Securities, no other assets (and, in particular, no assets of the Collateral Manager, the Securityholders, the Initial Purchaser, the Trustee, any Hedge Counterparty, the Administrator, the Share Trustee or any directors or officers of the Issuer or any Affiliates of any of the foregoing) will be available for payment of the deficiency and following realization of the Collateral, the obligations of the Issuer or, in the case of the Class E Notes and Subordinated Securities, the Issuer, to pay such deficiency shall be extinguished and shall not thereafter revive. Each Securityholder by its acceptance of each Security will agree or be deemed to have agreed not to take any action or institute any proceedings against the Issuer under any insolvency law applicable to the Issuers or which would be likely to cause the Issuer to be subject to, or to seek the protection of, any insolvency law applicable to the Issuers, subject to certain limited exceptions.

Subordination of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Securities. Except as described in "Summary—Status and Subordination," the Class A Notes are subordinated on each Payment Date to the Class B Notes, the Class B Notes are subordinated on each Payment Date to the Class C Notes, the Class C Notes are subordinated on each Payment Date to the Class D Notes, the Class D Notes are subordinated on each Payment Date to the Class E Notes, the Class E Notes are subordinated on each Payment Date to the Class D Notes and the Subordinated Securities are subordinated on each Payment Date to the Class E Notes. Except as described in "Summary—Status and Subordination," no payments of interest or distributions from interest Proceeds will be made on any Class of Securities on any Payment Date until current or Deferred Interest on the Securities of each Class to which such Class is subordinated has been paid, and no payments of principal or distributions from Principal Proceeds will be made on any such Class of Securities on any Payment Date until principal of the Securities of each Class to which such Class is subordinated has been paid in full, in each case in accordance with the Priority of Payments described herein. No distributions of Principal

Confidential Treatment Requested by Goldman Sachs
Proceeds to the Holders of the Subordinated Securities will be made until the Secured Notes have been repaid in full. See "Description of the Securities—Priority of Payments".

In addition, if an Event of Default occurs, as long as any Securities of the Controlling Class are Outstanding, the Holders of the Controlling Class will be entitled to determine the remedies to be exercised under the Indenture including the sale and liquidation of the Collateral (except that if the Collateral may be sold and liquidated only if, among other things, the Trustee determines (and the Majority of the Controlling Class agrees with such determination) that the anticipated proceeds of such sale or liquidation (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to pay in full the Aggregate Outstanding Amount of the Secured Notes, plus accrued and unpaid interest, and certain other amounts, or the holders of at least 68 2/3% of the Aggregate Outstanding Amount of the Secured Notes of each Class (with such Class voting separately) direct, subject to the provisions of the Indenture, such sale and liquidation). Remedies pursued by the Holders of the Controlling Class could be adverse to the interests of the holders of the subordinated Classes of Securities. See "Description of the Securities—The Indenture—Events of Default".

Unsecured Subordinated Securities. The Subordinated Securities are not secured by the Collateral Obligations or the other Collateral securing the Secured Notes. As such, the Holders of the Subordinated Securities will rank behind all of the secured creditors, whether known or unknown, of the Issuer, including, without limitation, the Holders of the Secured Notes and any Hedge Counterparties. No person or entity other than the Issuer will be required to make any distributions on the Subordinated Securities. Except with respect to the obligations of the Issuer to make payments pursuant to the Priority of Payments, the Issuer does not expect to have any creditors. Any distributions on the Subordinated Securities will be payable only to the extent funds are available in accordance with the Priority of Payments.

Optional Redemption of Securities. An optional redemption of Securities could require the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the securities sold. In addition, the optional redemption requirements in the Indenture may require the Collateral Manager to aggregate securities to be sold together in one block transaction, thereby possibly resulting in a lower realized value for the securities sold.

Redemption by Refinancing. The Secured Notes are subject to Redemption by Refinancing. The Holders of at least a Majority of the Subordinated Securities may direct the redemption of any Class of Secured Notes in whole but not in part on any Scheduled Payment Date occurring after the Non-Call Period, in connection with a Redemption by Refinancing by directing the Issuer to issue Replacement Notes (which may accrue interest at a floating rate or fixed rate as described herein), the proceeds of which will be used to fully redeem such Class or Classes of Secured Notes, as applicable. A Redemption by Refinancing will be required to result in the redemption of all of the Secured Notes of the affected Class or Classes but need not result in the redemption of all Classes of Secured Notes. There is no assurance that the Holders of any Class of Secured Notes refinanced will be able to invest the proceeds thereof in comparable securities earning a comparable rate of return.

Mandatory Redemption of Secured Notes in Case of Failure of the Coverage Tests. If any Par Value Test (excluding the Class E Par Value Test) with respect to the applicable Class or Classes of Co-Issued Notes is not met on the Determination Date immediately preceding a Scheduled Payment Date or if any Interest Coverage Test with respect to any Class or Classes of Co-Issued Notes is not met on any Determination Date on or after the Second Determination Date, Proceeds (and, thereafter, Interest Proceeds that would have been paid to the holders of each Class of Securities that is subordinated to such Class or Classes will be used to redeem the Securities of the most senior Class or Classes then Outstanding to the extent necessary to restore the applicable Coverage Test to the minimum required level as described under "Security for the Secured Notes—The Coverage Tests" or cause any Class of Securities to which such unsatisfied last ranking to be redeemed in full. If the Class E Par Value Test is not met on the Determination Date immediately preceding a Scheduled Payment Date, Interest Proceeds that otherwise would have been paid to the holders of the Subordinated Securities will be used to redeem the Class E Notes, to the extent necessary to restore the Class E Par Value Test to the minimum required level. The foregoing could result in an elimination, deferral or reduction in the funds available to make interest payments or principal repayments to the Holders of the Class C Notes, the Class D Notes and the Class E Notes and distributions to the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918251
Footnote Exhibits - Page 5031

Holders of the Subordinated Securities. See "Description of the Securities—Priority of Payments" and "Security for the Secured Notes—the Coverage Test."

Effective Date Ratings Downgrade Event. Although Collateral Obligations with an Aggregate Principal Amount equal to approximately 97% of the Collateral Portfolio to be purchased by the issuer will be purchased (or the issuer will have entered into agreements to purchase) as of the Closing Date, a portion of the Collateral Portfolio will be purchased after the Closing Date and the price and availability of Collateral Obligations may be adversely affected by volatility in the market for Collateral Obligations. Consequently, the ability of the issuer to purchase Collateral Obligations by the Effective Date at desirable prices and meeting the requirements set forth herein may be compromised. The issuer will request that each of the Rating Agencies confirm (or, in the case of Moody’s, submit information such that Moody’s may be deemed to have confirmed) the initial ratings of the Secured Notes on the Effective Date. The inability of the issuer to purchase a suitable portfolio prior to the Effective Date may result in an Effective Date Ratings Downgrade Event. If an Effective Date Ratings Downgrade Event occurs, the issuer is required to, in accordance with the Priority of Payments, apply Interest Proceeds and, to the extent the application of Interest Proceeds is insufficient, Principal Proceeds to pay principal of the Secured Notes (other than the Class S Notes) pursuant to the Note Payment Sequence until the Secured Notes (other than the Class S Notes) are paid in full or until such Effective Date Ratings Downgrade Event no longer exists. See "Description of the Securities—Priority of Payments". The occurrence of an Effective Date Ratings Downgrade Event will not cause an Event of Default.

Use of Interest Proceeds to Purchase Collateral Obligations. During the Reinvestment Period, Interest Proceeds remaining on each Payment Date prior to the payment of certain unpaid subordinated expenses and unpaid hedge termination payments, the distribution to the Collateral Manager in respect of the Incentive Collateral Management Fee and distributions in respect of the Subordinated Securities will be used to reinvest in Collateral Obligations up to the amount necessary to satisfy the Reinvestment Test (but not to exceed 50% of such Interest Proceeds available on such Payment Date). As a result, distributions to the Holders of Subordinated Securities will be reduced to the extent of the portion of Interest Proceeds used during the Reinvestment Period to reinvest in Collateral Obligations. See "Description of the Securities—Priority of Payments—Interest Proceeds."

Nature of Non-investment Grade Collateral: Loans. The Collateral is subject to credit, liquidity and interest rate risks. The Collateral Obligations pledged to secure the Secured Notes consist of a portfolio of assets which consist primarily of Dollar denominated loans (including Assignments or Participations) and high yield debt securities, primarily rated below investment grade (or of equivalent credit quality), Structured Finance Securities and Synthetic Securities, the Reference Obligations of which will likely be rated below investment grade, all of which will have greater credit and liquidity risk than investment grade sovereign or corporate bonds or loans.

High yield debt securities are generally unsecured (and loans may be unsecured) and may be subject to certain other obligations of the issuer thereof. The lower rating of high yield securities and below investment grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or obligor or in general economic conditions or both may impair the ability of the issuer or obligor to make payments of principal or interest. Such investments may be speculative. See "The Loan Market."

A portion of the Collateral Portfolio may consist of middle market loans and second lien loans, issuance sizes and lending syndicates for middle market loans are usually smaller than those for widely syndicated or leveraged loans and thus less liquid given their smaller loan sizes. The issuers tend to the proceeds on the liquidation of the collateral for a second lien loan will be subordinate to the rights of the holders of the first lien on the related collateral, and consequently, the issuer's recovery on such a loan may be reduced. Collateral Obligations that are second lien loans may be less liquid than loans secured by a first lien.

The issuer will acquire interests in loans and other debt obligations directly by way of sale, Assignment or Participation. The purchaser of an Assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted then those of the assigning institution. In
Footnote Exhibits - Page 5032

purchasing Participations, the Issuer generally has only a contractual relationship with the Seding institution and will have no right to directly enforce compliance by the borrower with the terms of the loan agreement. See "Assignments of and Participations in Loans".

Purchasers of loans are predominantly commercial banks, investment funds and investment banks. As secondary market trading volumes increased, new loans frequently contain standardized documentation to facilitate loan trading which may improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that the current level of liquidity will continue. Loans are not purchased or sold as easily as publicly traded securities are purchased or sold because, among other things, the holders of such loans are provided confidential information relating to the borrower; the loan agreement with respect to such loans is unique and customized; and such loans are privately syndicated. In addition, historically the trading volume in the loan market has been small relative to the high yield debt market. See "The Loan Market".

The market value of the Collateral Obligations will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets (including, particularly, the market for high yield debt obligations), international political events, developments or trends in any particular industry and the financial condition of the issuers of the Collateral Obligations. The public market for high yield debt obligations, in particular, has experienced periods of volatility and periods of reduced liquidity.

The offering of the Securities has been structured to withstand certain assumed losses relating to defaults on the underlying Collateral Obligations. See "Rating of the Securities". There is no assurance that actual losses will not exceed such assumed losses over any given time period. If any losses exceed such assumed levels, however, payments or distributions on the Securities could be adversely affected by defaults. To the extent that a default occurs with respect to any Collateral Obligation and the Trustee sells or otherwise disposes of such Collateral Obligation, it is not likely that the proceeds of such sale or disposition will be equal to the unpaid principal and interest thereon and such default and/or such disposition may reduce, if not eliminate, the availability of funds that would otherwise be distributable to the holders of the Securities.

Concentration Risk. The Issuer will invest in a portfolio of Collateral Obligations consisting of Assignments or Participations of loans, high yield debt securities, Synthetic Securities, Finance Leases and other Securitizations. Although no significant concentration with respect to any particular obligor, industry or country (other than the United States) is expected to exist at the Effective Date, the concentration of the portfolio in any one obligor would subject the Securities to a greater degree of risk with respect to defaults by such obligor, and the concentration of the portfolio in any one industry would subject the Securities to a greater degree of risk with respect to economic downturns relating to such industry. See "Security for the Secured Notes".

International investing. A portion of the Collateral may consist of Collateral Obligations that are obligations of non-U.S. obligors. Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information, (ii) varying levels of governmental regulation and supervision and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. obligors may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies. Moreover, if the sovereign rating of a country in which an obligor on a Collateral Obligation is located is downgraded, the ratings applicable to such Collateral Obligation may decline as well.

Synthetic Securities. Synthetic Securities expose the Issuer to the credit risks associated with the Reference Obligations consisting of high yield debt securities and non-investment grade loans. However, the Issuer will usually have a contractual relationship only with the counterparty of such Synthetic Security, and not with the Reference Obligor. Generally, the Issuer will have no right to directly enforce compliance by the Reference Obligor with the terms of the Reference Obligation nor any rights of set-off against the Reference Obligor. The Issuer may be subject to set-off rights exercised by the Reference Obligor against the counterparty. The Issuer will not have any voting rights with respect to the Reference Obligation. The

Confidential Treatment Requested by Goldman Sachs

QS MBS-E-001918253
Issuer will not directly benefit from any collateral that may support the Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation. In addition, in the event of the insolvency of the counterparty, the issuer will be treated as a general creditor of such counterparty, and will not have any claims with respect to the Reference Obligation. Consequently, the issuer will be subject to the credit risk of the counterparty as well as that of the Reference Obligor. As a result, concentrations of Synthetic Securities in any one counterparty subject the Securities to an additional degree of risk with respect to defaults by such counterparty as well as by the Reference Obligor. The Collateral Manager will not perform independent credit analyses of the counterparties. However, any such counterparty, or an entity guaranteeing such counterparty, individually and in the aggregate shall satisfy the required ratings set forth in the definition of “Synthetic Security Counterparty”. The Rating Agencies may downgrade any of the Co-Issued Notes if a Synthetic Security Counterparty has been downgraded by either of the Rating Agencies such that the issuer is not in compliance with the Synthetic Security Counterparty rating requirements. The Initial Purchaser and/or one or more of its Affiliates, if necessary, may act as counterparty with respect to all or a portion of the Synthetic Security Counterparties, which may create certain conflicts of interest. See “—Certain Conflicts of Interest”.

Structured Finance Securities. A portion of the Collateral Obligations may consist of Structured Finance Securities. Structured Finance Securities may present risks similar to those of the other types of Collateral Obligations in which the issuer may invest and, in fact, such risks may be present to a greater degree in the case of Structured Finance Securities. Moreover, investing in Structured Finance Securities may entail a variety of unique risks. Among other risks, Structured Finance Securities may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a Structured Finance Security changes based on changes in interest rates or inversely in relation to changes in interest rates). In addition, certain Structured Finance Securities may provide that non-payment or default will not constitute an event of default in certain circumstances and the holders of such securities will not have available to them any associated default remedies. During such period of non-payment, such non-paid interest will generally be capitalized and added to the outstanding principal balance of the related security. Furthermore, (i) the performance of a Structured Finance Security will be affected by a variety of factors, including its priority in the capital structure of its issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferee, the adequacy of and ability to realize upon any related collateral and the competence of the servicer of the underlying assets and (ii) the price of a Structured Finance Security, if required to be sold, may also be subject to market and liquidity risks for securities of its type at the time of sale. The issuer will be subject to restrictions on the amount of Structured Finance Securities it may hold.

Securities Lending. The Collateral Obligations may be loaned to one or more Securities Lending Counterparties. See “Security for the Secured Notes—Securities Lending”. In the event that a Securities Lending Counterparty defaults on its obligation to return such loaned Collateral Obligation because of insolvency or otherwise, the issuer could experience delays and costs in gathering assets to be pledged by the borrower (and in extreme circumstances could be restricted from selling the collateral). In the event of the borrower defaulting, the holders of the Securities could suffer a loss to the extent of the unrealized value of the cash or securities securing the obligation of the borrower to return a loaned Collateral Obligation (less expenses) is less than the amount required to purchase such Collateral Obligation in the open market. This shortfall could be due to, among other things, discrepancies between the mark-to-market and actual transaction prices for the loaned Collateral Obligations arising from limited liquidity or availability of the loaned Collateral Obligations (and, in extreme circumstances, the loaned Collateral Obligations being unavailable at any price). The Rating Agencies may downgrade any of the Co-Issued Notes if a borrower of a Collateral Obligation or, if applicable, the entity guaranteeing the performance of such borrower, does not satisfy the Securities Lending Counterparty rating requirements. The Initial Purchaser and/or one or more of its Affiliates, with acceptable credit support arrangements, if necessary, may borrow Collateral Obligations, which may create certain conflicts of interest. In addition, the issuer may be required to indemnify the collateral agent or any other person acting in a similar capacity in connection with a Securities Lending Agreement (any such indemnity payments will constitute Administrative Expenses and will only be paid on a subordinated basis, subject to the Priority of Payments). See “—Certain Conflicts of Interest.”

Confidential Treatment Requested by Goldman Sachs

GS MBF-E-001918254
Insolvency: Considerations with Respect to Issuers of Collateral Obligations. In the event of the
insolvency of an Issuer or obligor of a Collateral Obligation, payments made on such Collateral Obligation
could be subject to avoidance as a "preference" if made within a certain period of time (which may be up to
nine months as one example) before insolvency. The Collateral Obligations consisting of obligations of non-U.S. issuers or
obligors may be subject to various laws enacted in the countries of their issuance for the protection of
creditors. These insolvency considerations will differ depending on the country in which each Issuer is
located or domiciled and may differ depending on whether the Issuer or obligor is a non-sovereign or a
sovereign entity.

Various laws enacted for the protection of creditors may apply to the Collateral Obligations. The
information in this and the following paragraph is applicable with respect to U.S. issuers or obligors subject to
United States federal bankruptcy law. Insolvency considerations may differ with respect to other issuers. If a
court in a lawsuit brought by an unpaid creditor or representative of creditors of an Issuer or obligor of a
Collateral Obligation, such as a trustee in bankruptcy, were to find that the Issuer or the obligor did not
receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the
Collateral Obligation and, after giving effect to such indebtedness, the Issuer or obligor (i) was insolvent, (ii)
was engaged in a business for which the remaining assets of such Issuer constituted unreasonably small
capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as
they matured, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent
conveyance, to subordinate such indebtedness to existing or future creditors of such Issuer or obligor, or to
recover amounts previously paid by such Issuer or obligor in satisfaction of such indebtedness. The
measure of insolvency for purposes of the foregoing will vary. Generally, an Issuer or obligor would be
considered insolvency at a particular time if the sum of its debts were then greater than all of its property at a
fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be
required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be
no assurance as to what standard a court would apply in order to determine whether the Issuer or obligor
was "insolvent" after giving effect to the incurrence of the indebtedness constituting the Collateral Obligation
or that, regardless of the method of valuation, a court would not determine that the Issuer was "insolvent"
upon giving effect to such insolvency.

In general, if payments on a Collateral Obligation are available, whether as fraudulent conveyances
or preferences, such payments may be recouped either from the initial recipient (such as the Issuer) or from
subsequent transferees of such payments (such as the Holders of the Securities). To the extent that any
such payments are recouped from the Issuer, the resulting loss will be borne first by the Holders of the
Subordinated Securities, then by the Holders of the Class E Notes, then by the Holders of the Class D Notes,
then by the Holders of the Class C Notes, then by the Holders of the Class B Notes, then by the Holders of
the Class A Notes and finally by the Holders of the Class S Notes (only to the extent such Note is
outstanding at such time). However, a court in a bankruptcy or insolvency proceeding would be able to
reverse the receipt of any such payment from a Holder of Securities only to the extent that such payment is
judgmental over such Holder or its assets. Moreover, it is likely that avoidable payments could not be
recouped directly from a Holder that has given value in exchange for its Security, in good faith and without
knowledge that the payments were avoidable. Nevertheless, since there is no judicial precedent relating to
structured securities such as the Securities, there can be no assurance that a Holder of the Securities will be
able to avoid recoupment on this or any other basis. See also "Assignments and Participations in Loans".

The Issuer does not intend to engage in conduct that would form the basis for a successful cause of
action based upon fraudulent conveyance, preference or equitable subordination. There can be no
assurance, however, that such a successful cause of action against the Issuer will not occur, or as to
whether any lending institution or other investor from which the Issuer acquired the Collateral Obligations
generated in any such conduct or any other conduct that would subject the Collateral Obligations and the
Issuer to insolvency laws and, if it did, as to whether such creditor claims could be asserted in a U.S. court
(or in the courts of any other country) against the Issuer.

Lender Liability Considerations: Equitable Subordination. A number of judicial decisions in the
United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various
evolving legal theories (collectively, termed "lender liability"). Generally, lender liability is founded upon the
premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-001919255
faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although it would be a novel application of the lender liability theories, the issuer may be subject to allegations of lender liability. However, the issuer does not intend to engage in conduct that would form the basis for a successful cause of action based upon lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (g) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower; (h) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, such remedy called "equitable subordination". Because of the nature of the Collateral Obligations, the issuer may be subject to claims from creditors of an obligor that Collateral Obligations issued by such obligor that are held by the issuer should be equitably subordinated. However, the issuer does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine.

The preceding discussion is based upon principles of United States federal and state laws. Insular as Collateral Obligations that are obligations of non-United States obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under fiduciary circumstances similar to those described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

**Volatility of Collateral Market Value and the Securities.** The market value of the Collateral Obligations will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, developments or trends in any particular industry and the financial condition of the issuers of the Collateral Obligations. The markets for high yield corporate debt securities and loans have in the past experienced periods of volatility and periods of reduced liquidity. A decrease in the market value of the Collateral Obligations would adversely affect the Issuer's ability to effect an optional redemption of the Securities, pay the principal of the Secured Notes or make distributions on the Subordinated Securities.

The financial markets have experienced substantial fluctuations in prices for loans and high yield debt securities and limited liquidity for such obligations. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not continue or become more acute following the Closing Date. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Collateral Obligations at a price and time that the Issuer deems advantageous may be impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly, and its Issuer's inability to obtain full and promptly of positions in declining markets will conversely cause its net asset value to decline as the value of unrealized positions is marked to lower prices.

There can be no assurance that current economic conditions and the effects of increased interest rates and corresponding price volatility will not adversely impact the investment returns ultimately realized by investors or continued compliance with, among other things, the Covenants Test.

Assignments of, and Participations in, Loans. The Issuer may purchase an interest in loans comprising Collateral Obligations either directly (by way of sale or Assignment) or indirectly (by way of Participation) subject to certain limitations set forth in the Indenture.

The purchaser of an Assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the loan agreement with respect to the loan. The Issuer as an assignee will generally have the right to receive directly from the borrower all payments of principal and interest to which it is entitled under the Assignment. As a purchaser of an Assignment, the Issuer typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918256
to vote to waive enforcement of breaches of covenants. The Issuer will also have the same rights as other lenders to enforce compliance by the borrower with the terms of the loan agreement, to set-off claims against the borrower and to have access to collateral supporting the loan. As a result, in case of default, the Issuer will generally not assume the credit risk of the assigning institution, and the insolvency of an assigning institution should have little effect on the ability of the Issuer to continue to receive payments of principal or interest from the borrower. The Issuer will, however, assume the credit risk of the borrower.

In purchasing Participations, the Issuer will usually have a contractual relationship only with the Selling Institution, and not the borrower. When the Issuer holds a Participation in a loan it generally will not have the right to enforce compliance by the borrower with the terms of the loan agreement or have the right to vote to waive enforcement of any restrictive covenant breached by a borrower. However, most participation agreements provide that the Selling Institution may not vote in favor of any amendment, modification or waiver that forgiven principal or interest, reduces principal or interest that is payable, postpones any payment of principal (whether a scheduled payment or a mandatory prepayment) or interest or releases any material guarantee or security without the consent of the participant (at least to the extent that the participant would be affected by any such amendment, modification or waiver). Selling Institutions voting in connection with a potential waiver of a restrictive covenant may have interests different from those of the Issuer as such Selling Institutions are not required to consider the interests of the Issuer in connection with their vote. In addition, the Issuer will have the right of set-off against the borrower. The Issuer may not directly benefit from the collateral supporting the related loan and generally will have no right to enforce directly compliance by the borrower under the loan agreements. The Issuer may purchase a Participation from a Selling Institution that does not itself retain any portion of the loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower.

In addition, depending upon the circumstances in the event of the insolvency of the Selling Institution, under the laws of the United States of America and the States thereof, the Issuer may experience delays in receiving payments made to the Selling Institution by the borrower or may be treated as a general creditor of the Selling Institution with respect to certain payments and the Issuer may suffer a loss to the extent the borrower may set-off claims against the Selling Institution or, if it is treated as a general creditor of the Selling Institution it may not have any exclusive or senior claim with respect to the Selling Institutions interest in or the collateral with respect to, the loan. Consequently, the Issuer may be subject to the credit risk of the Selling Institution as well as that of the borrower. The Collateral Manager has not and will not perform independent credit analyses of the Selling Institutions.

Certain of the loans or Participations may be governed by the law of a jurisdiction other than a United States jurisdiction. The Issuer is unable to provide any information with respect to the risks associated with purchasing a Participation under an agreement governed by the laws of a jurisdiction other than a United States jurisdiction, including characterization under such laws of such Participation or sub-Participation in the event the insolvency of the institution from whom the Issuer purchases such Participation or sub-Participation or the insolvency of the institution from whom the grantor of the sub-Participation purchased its Participation.

Collateral Reinvestment Provisions: Restrictions on Acquisition and Disposition. During the Reinvestment Period and, to the limited extent described more fully herein, after the Reinvestment Period, so long as certain requirements are met, the Collateral Manager will have sole discretion to reinvest Principal Proceeds thereof in Substitute Collateral Obligations, in such case in compliance with the Reinvestment Criteria, and certain other requirements set forth herein and in the Indenture. The exercise by the Collateral Manager in its discretion in disposing of such Collateral Obligations and purchasing Substitute Collateral Obligations in compliance with the Reinvestment Criteria and such other requirements will expose the Issuer to the market conditions prevailing at the time of such sale and reinvestment. Such actions during periods of adverse market conditions may result in unfavorable changes in the characteristics and quality of the Collateral Portfolio and may result in a decrease in the overall yield on the Collateral Portfolio, adversely affecting the Issuer's ability to make payments on the Securities. Further, due to the significant restrictions imposed by the Indenture on the Collateral Manager's ability to buy and sell Collateral Obligations, during certain periods or in certain circumstances, the Collateral Manager may be unable as a result of such
restitutions to buy or sell securities or to take other actions which it might consider to be in the best interests of the Issuer and the Holders of the Securities. See "Security for the Secured Notes—Sale of Collateral Obligations; Substitute Securities; Exchange of Defeased Obligations and Reinvestment Criteria".

Prepayment of Loans. Loans are generally prepayable, in whole or in part, at any time at the option of the obligor thereof at par plus accrued and unpaid Interest thereon. Prepayments on loans may be caused by a variety of factors which are difficult to predict. Accordingly, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk as described in the preceding paragraph. Any failure of the Issuer to reinvest payments or other proceeds in Collateral Obligations with comparable interest rates that satisfy the Reinvestment Criteria may adversely affect the timing and amount of payments and distributions received by the Holders of the Securities and the yield to maturity of the Securities. There can be no assurance that the Issuer will be able to reinvest proceeds in Collateral Obligations with comparable interest rates that satisfy the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

Recovery. To the extent that defaults occur with respect to any Collateral Obligation and the Issuer sells or otherwise disposes of such Collateral Obligation, it is unlikely that the proceeds of such sales or dispositions, together with the value of the remaining Collateral, will be equal to the unpaid principal of and interest on all of the Secured Notes and the purchase price of the Subordinated Securities. In addition, the Issuer may incur additional expenses to the extent it is required to seek recovery upon a default on a Collateral Obligation or participate in the restructuring of such Collateral Obligation. Moreover, there can be no assurance on the timing of any recoveries.

Average Life and Prepayment Considerations. The Stated Maturity of each Class of Securities (other than the Class S Notes) is the Payment Date in February 2024 and, with respect to the Class S Notes, February 2014; however, the average life of each Class is expected to be shorter than the number of years until the Stated Maturity. See "Summary—The Offering" and "Maturity and Prepayment Considerations".

The approximations of the average life of each Class of Secured Notes set forth in the table in "Summary—The Offering" with respect to the average life of each Class of Secured Notes are not predictive end do not necessarily reflect historical performance and defaults for loans and high yield debt securities; in fact, the average life of the Secured Notes will be affected by the ability of the Issuer to reinvest Principal Proceeds in Collateral Obligations during the Permitted Reinvestment Period (and to the extent of Eligible Post Reinvestment Proceeds, after the Reinvestment Period). Such approximations will also be affected by the financial condition of the Issuer of the underlying Collateral Obligations and the characteristics of such securities, including the existence and frequency of exercise of any optional redemption, mandatory prepayment or sinking fund features, the prevailing level of interest rates, the redemption price, the actual default if any thereof at par plus accrued and unpaid Interest thereon, the actual level of recoveries on any Defeased Obligations, the frequency of exchange offers for the Collateral Obligations and on any sales of Collateral Obligations. In addition, if prepayments on the Secured Notes occur under the circumstances described under "Summary—The Offering—Principal Payments on the Secured Notes," the actual life of the Secured Notes will also be affected. See "Summary—Maturity and Prepayment Considerations" and "Security for the Secured Notes—Sale of Collateral Obligations; Substitute Securities; Exchange of Defeased Obligations and Reinvestment Criteria".

Distribution of Principal Proceeds Prior to the End of the Reinvestment Period. On each Scheduled Payment Date during the Reinvestment Period, Principal Proceeds will be distributed to the Holders of the Secured Notes in accordance with the Priority of Payments, if the Collateral Manager determines, in its sole judgment (which judgment shall not be subject to question as a result of subsequent events), that it is impractical or not beneficial to reinvest Principal Proceeds by the end of the applicable Investment Due Date Period. Distribution of Principal Proceeds to Holders of the Secured Notes prior to the end of the Reinvestment Period may shorten the expected lives of the Secured Notes and affect the timing and amount of distributions on the Subordinated Securities. See "Maturity and Prepayment Considerations".

Interest Rate Risk: Floating Rate Indicators for Collateral Obligations. The Concentration Limitations require that not less than a certain percentage of the Collateral Portfolio will bear interest based on LIBOR or another floating rate index. See "Summary—Concentration Limitations". Principal Proceeds and Sale
Proceeds may be reinvested in Collateral Obligations, subject to certain limitations specified herein, or, together with Interest Proceeds, invested in Eligible Investments pending application in accordance with the Priorities of Investment. There is no requirement that such Eligible Investments bear interest at a rate equal to the Floating Rate Notes and the interest rates available for such Eligible investments are inherently uncertain. The Floating Rate Notes will bear interest at a rate based on LIBOR for Eurodollar deposits for the Applicable Period, as determined on each LIBOR Determination Date. As a result, there may be a floating/fixed rate or basis mismatch between the Floating Rate Notes and any underlying Fixed Rate Collateral Obligations and there may be a basis or timing mismatch between such Floating Rate Notes and the Floating Rate Collateral Obligations as the interest rate on such Floating Rate Collateral Obligations may adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the Floating Rate Notes. As a result of such mismatches, an increase in the level of LIBOR could adversely impact the ability to make payments on the Secured Notes, as well as the ability to make distributions on the Subordinated Securities. The Issuer may purchase one or more Hedge Agreements (which may be Interest Rate Swap Agreements or Interest Rate Cap agreements) in order to reduce the impact of the interest rate mismatch. However, despite the Issuer having the option of purchasing one or more Hedge Agreements and although distribution of Interest Proceeds to the Holders of the Subordinated Securities will be subordinated to the payment of interest on the Secured Notes, there can be no assurance that the Collateral Obligations and the Eligible Investments will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Secured Notes or amounts subordinated thereto including distributions to the Holders of the Subordinated Securities. The Initial Purchaser and/or one or more of its Affiliates, with acceptable credit support arrangements, if necessary, may act as counterparty with respect to all or some of such Hedge Agreements, which could create certain conflicts of interest. See "Certain Conflicts of Interest".

In the event of the insolvency of a Hedge Counterparty, the Issuer would be treated as a general creditor of such Hedge Counterparty.

Changes in Tax Law. No Gross-Up. A Collateral Obligation will be eligible for purchase by the Issuer if, at the time it is purchased (or committed for purchase), either the payments thereon are not subject to withholding taxes (except for withholding taxes with respect to fees received under a Securities Lending Agreement) and commitment fees associated with Collateral Obligations constitute Covered Credit Facilities or Delayed Funding Term Loans) imposed by any jurisdiction or the obligor is required to make "gross-up" payments that cover the full amount of any such withholding taxes. There is no assurance that, as a result of any change in any applicable law, treaty, rule or regulation or interpretation thereof, the payments on certain Collateral Obligations (such as Floating Rate Notes) would not become or be treated as subject to withholding taxes imposed by any jurisdiction. In addition, the Internal Revenue Service and the Treasury have requested comments on the treatment of credit default swaps, which are often referred to as Synthetic Securitization, and possible alternative treatments could result in withhold on payments received by the Issuer. In that event, if the holders of such Collateral Obligations were not then required to make or in fact failed to make "gross-up" payments that cover the full amount of any such withholding taxes, the amounts available to make payments on, or distributions to, the Holders of the Secured Notes would accordingly be reduced. There can be no assurance that the remaining payments on the Collateral would be sufficient to make timely payments of interest on and payment of principal at the Stated Maturity of each Class of Secured Notes and, consequently, to make distributions to the Holders of the Subordinated Securities. For additional tax considerations, see "Income Tax Considerations".

In the event that any withholding tax is imposed on payments on the Securities, the Holders of such Securities will not be entitled to receive "gross-up" amounts to compensate for such withholding tax. In addition, upon the occurrence of a Withholding Tax Event, the Issuer may have on any Business Day, whether during or after the Loan-In-Call Period, simultaneously more than one in whole but not in part, at redemption prices specified herein, the Securities in accordance with the procedures described under "Description of the Securities—Optional Redemption—Optional Redemption Procedures" below.

Additional Tax. The Issuer expects to conduct its affairs so that its net income will not become subject to U.S. federal income tax. There can be no assurance, however, that its net income will not become subject to United States federal income tax as the result of unanticipated activities by the Issuer, changes in law, contrary conclusions by the U.S. tax authorities or other causes. Investors should note that the
Footnote Exhibits - Page 5039

Treasur y and the Internal Revenue Service recently announced that they are considering taxpayer requests for specific guidance on, among other things, whether a foreign person may be treated as engaged in a trade or business in the United States by virtue of entering into credit default swaps. However, the Treasury and the Internal Revenue Service have not yet provided any guidance on whether they believe entering into credit default swaps may cause a foreign person to be treated as engaged in a trade or business in the United States and if so, what facts and circumstances must be present for this conclusion to apply. Any future guidance issued by the Treasury and/or the Internal Revenue Service may have an adverse impact on the tax treatment of the issuer. See discussion under the heading "Income Tax Considerations—Tax Treatment of the Issuer." below.

Legislation and Regulations in Connection With the Prevention of Money Laundering. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), signed into law on and effective as of October 29, 2001, imposes anti-money laundering obligations on different types of financial institutions, including banks, broker-dealers and investment companies. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "Treasury") to prescribe regulations to define the types of investment companies subject to the USA PATRIOT Act and the related anti-money laundering obligations.

It is not clear whether the Treasury will require entities such as the Issuer to enact anti-money laundering policies. It is possible that the Treasury will promulgate regulations requiring the Issuer or the Initial Purchaser or other service providers to the Issuer, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Securities. Such legislation and/or regulations could require the Issuer to implement additional restrictions on the transfer of the Securities. As may be required, the Issuer reserves the right to request such information and take such actions as are necessary to enable it to comply with the USA PATRIOT Act.

Regulation U Requirements. Regulation U governs certain extensions of credit that are secured by Margin Stock by persons other than securities broker-dealers (such persons, "Regulation U Lenders"). Under current interpretations of Regulation U by the Board of Governors of the Federal Reserve System ("FRB") and its staff, the purchase of a debt security such as the Securities in a private placement may constitute an extension of credit. Among other things, Regulation U generally imposes certain limits on the amount of credit that Regulation U Lenders may extend which is used to purchase or carry Margin Stock ("Purpose Credit"). The provisions of the Indenture and the Collateral Management Agreement are intended to ensure that (i) the purchasers of the Subordinated Securities (which are not secured by Margin Stock) are not Regulation U Lenders and (ii) the credit extended by purchasing the Secured Notes (which is secured by the Collateral, which may include Margin Stock) is not Purpose Credit. Regulation U Lenders are not subject to the Regulation U credit limits with respect to extensions of credit that are not Purpose Credit.

Regulation U also generally requires Regulation U Lenders (other than persons that are banks within the meaning of Regulation U) who are not otherwise exempted from the registration requirements to register with the FRB. Under an interpretation of Regulation U by the FRB staff, Qualified Institutional Buyers purchasing debt securities in a transaction in compliance with Rule 144A are not required to register with the FRB where the proceeds of the securities are not Purpose Credit. Non-U.S. Persons purchasing Secured Notes in reliance on Regulation S who do not have their principal place of business in a Federal Reserve District of the FRB are also not required to register with the FRB. However, other purchasers of Secured Notes should consider whether they are required to register with the FRB. In addition, purchasers of Secured Notes subject to the registration requirements of Regulation U, as well as any purchasers of the Secured Notes that are banks within the meaning of Regulation U, may also be subject to certain additional requirements under Regulation U. If the registration or other requirements of Regulation U are applicable, the purchaser of Secured Notes and such purchaser does not comply with such requirements, such failure may affect the enforceability of such purchaser's Secured Notes. See "Security for the Secured Notes—Margin Stock". Purchasers of the Secured Notes should consult their own legal advisors as to Regulation U and its application to them.

Under the Indenture, each purchaser of an interest in a Secured Note will be deemed to have represented that either (a) such purchaser's principal place of business is not located within any Federal Reserve District of the United States Federal Reserve Bank or (b) such purchaser has satisfied and will
Footnote Exhibits - Page 5040

satisfy any applicable registration or other requirements of the FRB including, without limitation, Regulation U, in connection with its acquisition of the Secured Notes.

Dependence on the Collateral Manager and its Investment Professionals. The success of the Issuer will be highly dependent on the managerial expertise of the Collateral Manager. As a result, the Issuer will be highly dependent on the managerial expertise of certain individuals comprising the Collateral Manager’s management team. There is no requirement that there be employment arrangements with these individuals for the benefit of the Collateral Manager. The individuals comprising the Collateral Manager’s management team are also actively involved in other investment activities and will not be able to devote their full time and attention to the Issuer’s business and affairs. The loss of any of these individuals could have a material adverse effect on the performance of the Issuer. See “The Collateral Manager—Key Personnel.”

Certain Conflicts of Interest. Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Collateral Manager, its Affiliates and/or any funds managed by the Collateral Manager and their respective clients and employees and from the conduct by the Initial Purchaser and its Affiliates of other transactions with the Issuer, including, without limitation, acting as counterparty with respect to the Hedge Agreements, the Securities Lending Agreements and Synthetic Securities. The following briefly summarizes some of these conflicts but is not intended to be an exhaustive list of all such conflicts.

Conflicts of Interest Involving the Collateral Manager and Affiliates. Various potential and actual conflicts of interest may arise from the overall investment activities of the Collateral Manager and its Affiliates and their respective clients and employees. The Collateral Manager and its Affiliates may invest, on behalf of themselves and other clients, in securities that would be appropriate as Collateral Obligations. The Collateral Manager and its Affiliates may give advice or take action for their own account or on other client accounts with similar strategies which may differ from advice given or action taken for the Issuer. The Collateral Manager and its Affiliates may also have ongoing relationships with counterparties whose securities are Collateral Obligations, and may own, directly or through other funds that they manage, equity or debt securities issued by obligors of Collateral Obligations or other Collateral. The Collateral Manager and its Affiliates may also have certain arrangements with companies that own Collateral Obligations, such as a general partner, adviser, officer, director, sponsor or manager of partnerships or companies organized to issue collateralized bond or other similar obligations secured by non-investment grade bank loans. The Collateral Manager may at certain times be engaged in seeking investments to purchase for the Issuer while at the same time the Collateral Manager or one or more Affiliates is also seeking to purchase or have purchased similar or identical investments for its own account or clients of the Collateral Manager, including for another entity for which it serves as a general partner, adviser, officer, director, sponsor, manager or collateral manager. By reason of the various activities of the Collateral Manager and its Affiliates, the Collateral Manager and such Affiliates may acquire confidential or material non-public information or be restricted from effecting transactions in certain Collateral Obligations or other Collateral that otherwise might have been initiated or prevented from liquidating a position. At times, the Collateral Manager, in an effort to avoid restrictions for the Issuer and its other clients, may elect not to receive information that other market participants or counterparties are eligible to receive or have received.

Neither the Collateral Manager nor any Affiliates thereof has any obligation (affirmative or otherwise) to offer any investments to the Issuer or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Collateral Manager or any of its Affiliates manage or advise. The Collateral Manager and its Affiliates may also make investments on their own behalf without offering such investment opportunities to the Issuer. Furthermore, the Collateral Manager and its Affiliates may be bound by affirmative obligations at present or in the future, whereby it or they are obligated to offer certain investments to funds or accounts that it or they manage or advise before or without the Collateral Manager or its Affiliates offering those investments to the Issuer. Alternatively, the Collateral Manager and its Affiliates may offer certain investments to funds or accounts that it or they manage or advise simultaneously with or in

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918261
addition to offering those investments to the Issuer. Thus, other funds or accounts that it or they manage or advise could become co-investors with the Issuer.

The Collateral Manager will endeavor to resolve conflicts with respect to investment opportunities in a manner which it deems equitable (in its sole discretion) to the extent possible under the facts and circumstances. Further, the Collateral Manager will be prohibited under the terms of the Collateral Management Agreement from directing the acquisition of Collateral Obligations from, or disposition of Collateral Obligations to, its Affiliates or any other account managed by the Collateral Manager or any of its Affiliates except in a transaction conducted on terms as favorable to the Issuer as would apply if such person were not so affiliated.

On each Payment Date, the Collateral Manager will be paid the Incentive Collateral Management Fee to the extent of funds available in accordance with the Priority of Payments if the holders of the Subordinated Securities have earned the Specified Internal Rate of Return as of such Payment Date. See “The Collateral Management Agreement—Compensation of the Collateral Manager”. The manner in which the Incentive Collateral Management Fee is determined could create an incentive for the Collateral Manager to make more speculative investments in the Collateral Obligations than would otherwise be the case in order to increase the likelihood that the holders of the Subordinated Securities receive the Specified Internal Rate of Return for the Collateral Manager to be paid the Incentive Collateral Management Fee. Speculative investments in Collateral Obligations could lead to a higher level of defaults on the Collateral Obligations than initially expected, which could result in reductions or delays in payments on the Securities.

Upon the removal or resignation of the Collateral Manager, the holders of a majority of the Subordinated Securities may direct the Issuer to appoint a replacement collateral manager in the manner provided in the Collateral Management Agreement. Subordinated Securities and Secured Notes held by the Collateral Manager or any of its Affiliates will have no voting rights with respect to any vote on the removal or replacement of the Collateral Manager and will be deemed not to be outstanding in connection with any such vote, provided, however, that Subordinated Securities and Secured Notes held by the Collateral Manager or any of its Affiliates will have voting rights with respect to all other matters as to which the holders of Subordinated Securities or holders of the Secured Notes are entitled to vote, including, without limitation, any vote to direct an optional redemption of the Securities or a redemption following a Withholding Tax Event and any vote to appoint a replacement collateral manager that is not an Affiliate of the Collateral Manager pursuant to the Collateral Management Agreement. See “The Collateral Management Agreement” and “Description of the Securities—Optional Redemption”.

Under the Collateral Management Agreement, the Collateral Manager is permitted to recommend or affect direct trades between the Issuer and the Collateral Manager or an Affiliate or funds or accounts for which the Collateral Manager or an Affiliate serve as collateral manager, acting as principal or agent, subject to applicable legal requirements. The Collateral Manager, its Affiliates, and their respective directors, officers and employees may invest in obligations that would be appropriate as Collateral. Such investments may be different from those made on behalf of the Issuer. The Collateral Manager and its Affiliates may also have ongoing relationships with, render services to or engage in transactions with, companies whose obligations are included in the Collateral and may own equity or debt securities issued by issuers of and other obligations of Collateral Obligations. As a result, officers or Affiliates of the Collateral Manager may possess information relating to obligations of Collateral Obligations which is not known to the individuals at the Collateral Manager responsible for managing the Collateral and performing the other obligations under the Collateral Management Agreement. The possession of this information by the Collateral Manager (even if such information is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral and performing the other obligations under the Collateral Management Agreement) may result the Collateral Manager from purchasing or selling securities of those obligors. In addition, Affiliates and clients of the Collateral Manager may invest in obligations that are similar to, or have interests different from or adverse to, the Collateral Obligations. The Collateral Manager and/or its Affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for its respective accounts, the Issuer, any similar party for which it serves as manager or advisor and for its clients or Affiliates. It is the intention of the Collateral Manager that all Collateral Obligations will be purchased and sold by the Issuer on terms prevailing in the market. Neither the Collateral Manager nor any of its Affiliates is under any obligation to offer investment opportunities of which they become aware to the Issuer or to account to the Issuer (or share with the Issuer) or inform the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918262
Footnote Exhibits - Page 5042

Issuer(s) of any such transaction or any benefit received by them from any such transaction. Furthermore, the Collateral Manager and/or its Affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity or making an investment on behalf of the Issuer. The Collateral Manager and/or its Affiliates have no affirmative obligation to offer any investments to the Issuer or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Collateral Manager and/or its Affiliates manage or advise. Furthermore, Affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to the Issuer. Affirmative obligations may exist, or may arise in the future, wherein Affiliates of the Collateral Manager are obligated to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. Affiliates of the Collateral Manager may have no affirmative obligations to offer those investments to the Issuer or to inform the Issuer of any investments before engaging in any investments for themselves. The Collateral Manager will endeavor to resolve conflicts with respect to investment opportunities in a manner that it deems equitable (in its sole discretion) to the extent possible under the prevailing facts and circumstances. Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate (in its sole discretion), the staff may have conflicts in allocating its time and services among the Issuer and the Collateral Manager’s other accounts.

Funds managed by Greywolf will commit to purchase up to 100% of the initial notional amount of the Subordinated Securities. Thereafter, such funds may transfer or sell any such Subordinated Securities held thereby at any time and from time to time. As a Holder of Subordinated Securities, such funds may have interests adverse to the other Holders of Securities.

Members of the board of directors of the issuer who are not affiliated with the Collateral Manager or their delegates or other authorized representatives of the Issuer will have the responsibility for approving any transactions between the Issuer and the Collateral Manager or its Affiliates involving significant conflicts of interest (including principal trades). More particularly, directors unaffiliated with the Collateral Manager or any delegate designated by such directors will be responsible for approving any principal transactions for which Issuer consent is required pursuant to Section 206(3) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

In addition, with the prior authorization of the Issuer, which has been given and can be revoked at any time, the Collateral Manager and/or its Affiliates may enter into agency cross-transactions where the Collateral Manager and/or its Affiliates act as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law, in which case the Collateral Manager and/or any such Affiliates will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

The Collateral Manager and its Affiliates are not required to obtain approval for any transaction unless such approval is required by law.

Conflicts of Interest involving the Initial Purchaser and Affiliates. The Initial Purchaser and/or its Affiliates may have placed or underwritten certain of the Collateral Obligations at original issuance and may have provided investment banking services, advisory, banking and other services to Issuers of Collateral Obligations. The Initial Purchaser may, from time to time as principal or through one or more investment funds that it manages make investments in the equity securities of one or more of the Issuers of Collateral Obligations with the result that one or more of such Issuers may be or may become controlled by the Initial Purchaser. The Initial Purchaser may not have completed its resale of the Securities by any date certain, which may affect the liquidity of the Securities as well as the ability of the Initial Purchaser to make a market in the Securities. From time to time, the Collateral Manager on behalf of the Issuer may purchase or sell Collateral Obligations through the Initial Purchaser and/or any of its Affiliates (collectively, “Initial Purchaser Entities”). The Issuer may invest in the securities of companies affiliated with the Initial Purchaser Entities or in which the Initial Purchaser Entities have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Initial Purchaser Entities’ own investments in such companies. In addition, it is expected that an Initial Purchaser Entity may also act as counterparty with respect to one or more Synthetic Securities or Securities Lending Agreements and may act as Hedge Counterparty with respect to one or more Hedge Agreements, in connection with the resale of the

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918263
Securities, a Initial Purchaser Entity expects to enter into one or more hedging arrangements relating to a portion of the Securities. Such hedging arrangements will be entered into by such Initial Purchaser Entity with one or more purchasers of the Securities or with one or more counterparties to such Initial Purchaser Entity. The Issuer may invest in money market funds that are managed by Graywolf or its Affiliates or the Initial Purchaser Entities or for which the Trustee or its Affiliates provides services; provided that such money market funds otherwise qualify as Eligible investments.

The Issuer’s purchase of Collateral Obligations, at the direction of the Collateral Manager, prior to the Closing Date was financed through the sale of participation interests therein to one or more Affiliates of Goldman, Sachs & Co. pursuant to a master participation agreement. Any gains or losses realized by the Issuer in respect of Collateral Obligations that are sold or otherwise disposed of prior to the Closing Date will be for the Issuer’s account. Collateral Obligations owned by the Issuer on the Closing Date were purchased in the open market, and the purchase price paid by the Issuer for such Collateral Obligations is the prevailing price at the time such Collateral Obligations were purchased. Because the purchase price of Collateral Obligations owned by the Issuer on the Closing Date is determined prior to such date, the prevailing market price of such Collateral Obligations on the Closing Date may be higher or lower than such purchase price. Accordingly, any unrealized losses or gains experienced by the Issuer in respect of the Collateral Obligations acquired by the Issuer prior to, and owned by the Issuer on, the Closing Date will be for the Issuer’s account.

Irish Stock Exchange Listing: Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directive 2003/71/EC, for this Offering Circular to be approved. Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and to trading on its regulated market. There can be no assurance that such admission will be approved or maintained. The Indenture provides that, if the Collateral Manager or the Issuers determine that the maintenance of the listing of any of the Securities on the Irish Stock Exchange is unduly onerous or burdensome, including, but not limited to, circumstances in which the obtaining or maintenance of a listing on such securities exchange would require preparation of management reports or financial statements, or in any circumstances where the requirements of the European Union Transparency Obligations Directive would apply to either of the Issuers, the Issuers will have the right to de-list and will de-list at the sole direction of the Collateral Manager such Securities. The Issuers will use reasonable endeavors to obtain a listing of such Securities on another securities exchange as the Issuers may choose, except that no obligation to obtain such alternative listing shall exist if the alternative listing is or would be unduly onerous or burdensome in the judgment of the Collateral Manager in its sole discretion.

DESCRIPTION OF THE SECURITIES

The Securities will be issued pursuant to the Indenture. The following summary describes certain provisions of the Securities and the Indenture. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture. Copies of the Indenture may be obtained as described under “Listing and General Information.”

Status and Security:

The Co-Issued Notes will be limited recourse secured obligations of the Issuers, the Class E Notes will be limited recourse secured obligations of the Issuer and the Subordinated Securities will be limited recourse unsecured obligations of the Issuer. Payments of interest on and principal of the Secured Notes and distributions to the Holders of the Subordinated Securities will be made solely from the proceeds of the Collateral, in accordance with the priorities described under “—Priority of Payments.” The Subordinated Securities will not be secured obligations of the Issuer and will be entitled to receive amounts available for distribution only after payment of all amounts payable prior thereto under the Priority of Payments.

All Securities of a single Class rank pari passu with all other Securities of the same Class. See “—Priority of Payments.” The right of payment with respect to the Securities is described in the “The Offering—Summary—Status and Subordination.” The right of payment with respect to the Securities is described in the “Summary—The Offering—Status and Subordination.”
The entire principal amount of the Secured Notes will be issued and outstanding on the Closing Date.

Under the terms of the Indenture, the issuer will grant to the Trustee, on behalf of the Secured Parties, a perfected security interest in the Collateral that is of first priority, free of any adverse claim or the legal equivalent thereof, as applicable, to secure the Issuer’s obligations with respect to the Secured Parties. See “Security for the Secured Notes”.

Interest

The Secured Notes will bear interest from the Closing Date at the per annum rates set forth under “Summary—The Offering—Securities Issued,” payable, in each case, quarterly in arrears on each Payment Date commencing August 18, 2007 and on the Stated Maturity. The Holders of the Subordinated Securities will be entitled to receive any excess Interest Proceeds in accordance with and subject to the Priority of Payments, to the extent funds are available therefor.

During the Reinvestment Period, Interest Proceeds remaining on each Scheduled Payment Date prior to the payment of certain unpaid subordinated expenses and any unpaid hedge termination payments, distribution to the Collateral Manager in respect of the Incentive Collateral Management Fee and distributions in respect of the Subordinated Securities will be used to reinvest in Collateral Obligations up to the amount necessary to satisfy the Reinvestment Test (but not to exceed 50% of such remaining Interest Proceeds available on such Scheduled Payment Date). As a result, distributions to the Holders of Subordinated Securities will be reduced to the extent of the portion of Interest Proceeds used during the Reinvestment Period to reinvest in Collateral Obligations. See “—Priority of Payments—Interest Proceeds”.

For so long as any senior Class or Classes of Securities are outstanding, to the extent that funds are not available to pay the full amount of interest on the Class C Notes, the Class D Notes or the Class E Notes on any Payment Date in accordance with the Priority of Payments, the amount of Deferred Interest with respect to each Class of Securities will be deferred and added to the principal amount of such Class of Securities and will bear interest at the interest rate applicable to such Class of Securities to the extent lawful and enforceable, and the failure to pay the Deferred Interest of each such Class of Securities will not be an Event of Default under the Indenture. See “—Priority of Payments” and “—The Indenture—Events of Default”.

Interest will cease to accrue on each Secured Note, or, in the case of a partial repayment, on such part, from the date of repayment or Stated Maturity unless payment of principal is improperly withheld or unless there is otherwise a default with respect to such payments of principal. See “—Principal”. To the extent lawful and enforceable, interest on any Defaulted Interest on the Secured Notes will accrue at the Interest rate applicable to such Secured Notes, until paid as provided herein.

Interest on the Floating Rate Notes will be calculated on the basis of the actual number of days elapsed in the applicable Interest Accrual Period divided by 360, commencing on the Closing Date.

For purposes of determining any Interest Accrual Period, if any Payment Date or the Stated Maturity, as the case may be, is not a Business Day, then the Interest Accrual Period ending on such Payment Date or the Stated Maturity, as the case may be, shall be extended to but excluding the date on which payment is required to be made pursuant to the Indenture and the succeeding Interest Accrual Period shall begin on and include such date. In the event that the date of any Payment Date or the Stated Maturity, as the case may be, shall not be a Business Day, then payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the original date of any such Payment Date or the Stated Maturity, as the case may be, and, other than with respect to any Interest Accrual Period for a Class of Secured Notes ending on the Stated Maturity of such Class of Secured Notes, no interest shall accrue on such payment for the period from and after any such nominal date; provided that, in the case of the Floating Rate Notes only, interest shall accrue from and including the immediately preceding Payment Date or, in the case of the first Payment Date, the Closing Date to but excluding the following Payment Date or the Stated Maturity, as applicable.
Footnote Exhibits - Page 5045

For purposes of calculating the Floating Rate Note Interest Rates, the Issuers will appoint the Trustee as Calculation Agent (solely in such capacity, the "Calculation Agent"). LIBOR shall be determined by the Calculation Agent in accordance with the provisions set forth under the definition of "LIBOR".

The Calculation Agent may be removed by the Issuers at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Issuers, or if the Calculation Agent fails to determine the Floating Rate Note Interest Rates and the Floating Rate Note Interest Amounts for any Interest Accrual Period, the Issuers will promptly appoint as a replacement Calculation Agent a leading bank which is engaged in transactions in Eurodollars deposits in the International Eurodollar market and which does not control or is not controlled by or under common control with the Issuers or their Affiliates. The Calculation Agent may not resign its duties without a successor having been duly appointed. For so long as any of the Floating Rate Notes remain Outstanding, there will at all times be a Calculation Agent for the purpose of calculating the Floating Rate Note Interest Rates. In addition, for so long as any of the Securities are listed on the Irish Stock Exchange and the rules of such Exchange so require, the Issuer will publish in the Irish Stock Exchange's Official List notice of the appointment, termination or change in the office of such Calculation Agent.

The Calculation Agent will cause the Floating Rate Note Interest Rates, the Floating Rate Note Interest Amounts and the Payment Dates to be communicated to, in the case of the Secured Notes, Euroclear, Clearstream, the Collateral Manager and the Irish Paying Agent for delivery to the Irish Stock Exchange (as long as any of the Securities are listed thereon) by the Business Day immediately following each LIBOR Determination Date. The determination of the Floating Rate Note Interest Rates and the Floating Rate Note Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

Principal

Principal will not be payable on the Secured Notes and Principal Proceeds will not be distributed to the Holders of the Subordinated Securities prior to the end of the Non-Call Period, except (i) as a result of a mandatory redemption as described in "Mandatory Redemption," (ii) upon the occurrence of an optional redemption following a Withholding Tax Event as described under "Optional Redemption" and (iii) as described in the next two paragraphs.

On each Scheduled Payment Date during the Reinvestment Period, Principal Proceeds will be distributed to the Holders of the Secured Notes in accordance with the Priority of Payments determined by the Collateral Manager, in its sole judgment (which judgment shall not be subject to question as a result of subsequent events), that it is impractical or not beneficial to reinvest such Principal Proceeds by the end of the applicable Investment Due Date.

Principal will be payable on the Class S Notes in accordance with the Priority of Payments on each Payment Date in an amount equal to the Class S Principal Distribution Amount with respect to such Payment Date.

On each Scheduled Payment Date after the Reinvestment Period and on the Stated Maturity, principal will be payable on the Secured Notes and, after the Secured Notes have been paid in full, Principal Proceeds will be distributable to the Holders of the Subordinated Securities in accordance with the Priority of Payments to the extent of Principal Proceeds received in the related Due Period, provided that the Collateral Manager may elect to reinvest Eligible Post-Reinvestment Proceeds received after the Reinvestment Period in Collateral Obligations or test them for reinvestment in Collateral Obligations prior to the end of the Investment Due Period, subject to the exceptions described herein. See "Security for the Secured Notes—Sale of Collateral Obligations; Substitute Securities; Exchange of Defaulted Obligations and Reinvestment Covenants". The Collateral Manager will exercise its sole discretion in determining whether to reinvest Eligible Post-Reinvestment Proceeds received after the Reinvestment Period. Payments of principal or notional amount, as applicable, of the Securities described in the first sentence of this paragraph will be at the applicable Secured Note Redemption Price and will not constitute an optional redemption.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918285
Sale of Collateral Prior to Stated Maturity

On or prior to the date that is two Business Days prior to the Stated Maturity of the last Outstanding Security, the Collateral Manager on behalf of the Issuer shall direct the Trustee in writing to sell all Collateral Obligations to the extent necessary such that no Collateral Obligations will be held by the Issuer on or after such date. The settlement dates for any such sales of Collateral Obligations shall be no later than two Business Days prior to the Stated Maturity of the last Outstanding Security. The proceeds of such sale shall be applied in accordance with the Priority of Payments.

Optional Redemption

The Securities may be redeemed by the Issuer at the written direction of, or with the written consent of the Majority of the Subordinated Securities, in whole but not in part, from Liquidation Proceeds (a) on any Business Day after the Non-Call Period and (b) on any Business Day upon the occurrence of a Withholding Tax Event, as more fully described below. If the holders of the Majority of the Subordinated Securities elect to cause the redemption of the Securities as described herein, the Subordinated Securities will in any such case be redeemed simultaneously with all other Classes of Securities. In connection with an optional redemption, the Trustee shall notify the Collateral Manager of such optional redemption and the Collateral Manager on behalf of the Issuer shall direct the Trustee, in writing, to sell in the manner directed by the Collateral Manager in its sole discretion, and in accordance with the Indenture, any Collateral Obligation and upon such sale the Trustee shall release the lien upon such Collateral Obligation pursuant to the Indenture.

Notwithstanding the foregoing provisions, the Issuer may not direct the Trustee to sell any Collateral Obligation unless, after giving effect to such sale, there will be sufficient funds to pay the amounts described in "Optional Redemption Procedures" below.

Any optional redemption of the Secured Notes pursuant to subclause (a) or (b) of the second preceding paragraph will be made at the applicable Secured Note Redemption Prices plus accrued and unpaid interest.

Optional Redemption Procedures. If any Holder of the Subordinated Securities desires to direct the Issuer to optionally redeem the Securities, such Holder shall notify the Trustee in writing no less than 45 days (or such shorter period as may be acceptable to the Trustee) prior to the proposed redemption date (which date must be a Business Day). The Trustee will promptly notify the Issuer, the Collateral Manager and all other holders of the Subordinated Securities of the receipt of such notice. Each holder of the Subordinated Securities that also wishes to direct the Issuer to optionally redeem the Securities shall notify the Trustee (who shall promptly notify the Issuer and the Collateral Manager, of such direction) within 15 Business Days after the date of such notice. If a Majority of the Subordinated Securities has directed the Issuer to optionally redeem the Securities, the Issuer shall effect a redemption in whole of the Securities pursuant to the procedures described herein.

The Trustee will provide notice of any optional redemption by first-class mail, postage prepaid, mailed not less than ten Business Days prior to the scheduled redemption date, to each Securityholder at such Securityholder's address in the Register and for so long as the Securities are listed on the New York Stock Exchange and the rules of such Exchange shall so require, a publication shall be made in the Official List by the New York Listing Agent.

The Securities shall not be optionally redeemed unless either (1) at least seven Business Days before the scheduled redemption date, the Collateral Manager on behalf of the Issuer shall have furnished to the Trustee evidence, in form reasonably satisfactory to the Trustee, that the Issuer or the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements (including in the form of a confirmation of sale) with a financial institution or institution whose short-term unsecured debt obligations have a credit rating of at least "A-1" from S&P or with a Person that the Collateral Manager in its sole discretion has determined to be appropriate (including, without limitation, a CDO Issuer that is managed or to be managed by the Collateral Manager) to purchase, not later than the Business Day immediately preceding the scheduled redemption date, in immediately available funds, all or part of the Collateral

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5047

Obligations and terminate any Hedge Agreements at a purchase price at least equal to an amount sufficient, together with any other amounts available to be used for such optional redemption, to pay in the case of an optional redemption of the Securities at the request of a Majority of the Subordinated Securities on any Business Day after the Non-Call Period, the amounts specified under subclauses (i) through (iii) in "—Priority of Payments—Liquidation Proceeds," provided, that the Issuer shall not terminate any Hedge Agreements in connection with an optional redemption of the Securities as specified herein until the notice of redemption may no longer be withdrawn; or (ii) in the case of an optional redemption following the occurrence of a Withholding Tax Event, the amounts specified under subclauses (i) and (ii) (but excluding Omitted Hedge Termination Payments) in "—Priority of Payments—Liquidation Proceeds," or (iii) at least ten Business Days prior to the scheduled redemption date and prior to selling any Collateral Obligations, the Collateral Manager on behalf of the Issuer shall certify to the Trustee and to each of the Rating Agencies that the expected proceeds from such sale (calculated as provided in the next succeeding paragraph) together with any other amounts available to be used for such optional redemption will be delivered to the Trustee two Business Days prior to (but in no event later than the Business Day immediately preceding) the scheduled redemption date, in immediately available funds, and will equal or exceed 100% of all amounts specified in the immediately preceding subclause (i). See "—Priority of Payments—Liquidation Proceeds."

For purposes of determining the expected proceeds from a sale for purposes of subclause (2) of the immediately preceding paragraph, the expected proceeds shall be deemed to be (1) the Market Value of the Eligible Investments and, if Collateral Obligations are to be sold on the Business Day of the certification, the Market Value of the Collateral Obligations; or (2) the percentage of the Market Value of the Collateral Obligations set forth in the applicable column of the table below based upon the period of time between certification and the expected date of sale.

<table>
<thead>
<tr>
<th>Collateral Type</th>
<th>1 to 2</th>
<th>3 to 5</th>
<th>6 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans (other than loans with a Market Value of less than 90% of the Principal Balance thereof)</td>
<td>93%</td>
<td>92%</td>
<td>88%</td>
</tr>
<tr>
<td>Loans with a Market Value of less than 90% of the Principal Balance thereof</td>
<td>50%</td>
<td>73%</td>
<td>60%</td>
</tr>
<tr>
<td>Bonds having a Moody’s Rating “B3” or higher (other than bonds with a Market Value of less than 90% of the Principal Balance thereof)</td>
<td>69%</td>
<td>85%</td>
<td>75%</td>
</tr>
<tr>
<td>Bonds having a Moody’s Rating “Caast” or lower and bonds having a Moody’s Rating “B3” or higher (other than bonds with a Market Value of less than 90% of the Principal Balance thereof)</td>
<td>75%</td>
<td>65%</td>
<td>45%</td>
</tr>
</tbody>
</table>

For the avoidance of doubt, the Issuer may, in effecting a sale contemplated by clause (1) of the preceding paragraph, enter into one or more participation agreements or similar arrangements with the purchaser of the Collateral Obligations whereby, in connection with the Issuer’s receipt of the purchase price with respect to all or a portion of the Collateral Obligations, the Issuer shall grant to such purchaser a participation interest in all or a portion of such Collateral Obligations and agree to use commercially reasonable efforts (or such other efforts as shall be specified) to complete the transfer of such Collateral Obligations to such purchaser thereunder.

Any notice of redemption may be withdrawn by the Issuer on or prior to the sixth Business Day prior to the scheduled redemption date by written notice from the Issuer to the Trustee, the Holders of the Subordinated Securities requesting or consenting to such optional redemption and the Collateral Manager. If (i) the Collateral Manager shall be unable to cause the delivery of such sale agreement or agreements or certifications, as the case may be, in form satisfactory to the Trustee or (ii) the Majority of the Subordinated

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918208
Securities direct such notice be withdrawn, provided, however, that the Majority of the Subordinated Securities may not direct such notice be withdrawn if the conditions set forth in the third paragraph under "Optional Redemption Procedures" have been satisfied. Notice of withdrawal having been given as aforesaid, the Trustee shall provide notice of such withdrawal to each Holder at the address appearing in the Register by overnight courier (when possible) guaranteeing next day delivery (unless the address provided in the Register is insufficient for such purposes, in which event such notice shall be given by first class mail, postage prepaid) and, to the extent required, provide notice to the Irish Paying Agent which shall cause notice of such withdrawal to be published in the Irish Stock Exchang’s Official List, in each case, not later than the third Business Day prior to the scheduled redemption date.

Redemption by Refinancing

The Holders of at least a Majority of the Subordinated Securities may direct (subject to the approval of the Collateral Manager as specified in the next paragraph) the redemption of any Class of Secured Notes in whole but not in part on any Payment Date occurring after the Non-Call Period, in connection with a Redemption by Refinancing by directing the issuer (with a copy of such direction to the Trustee and the Collateral Manager) to issue additional notes (the "Replacement Notes"), the proceeds of which will be used to fully redeem such Class of Secured Notes, as applicable (a "Redemption by Refinancing"). A Redemption by Refinancing will be required to result in the redemption of all of the Secured Notes of the affected Class or Classes but need not result in the redemption of all Classes of Secured Notes. The Replacement Notes issued pursuant to a Redemption by Refinancing would have such terms and priorities as are negotiated at the time and that are set forth in a supplemental indenture, subject to the conditions set forth below.

Upon receipt of a Notice of Redemption by Refinancing (as defined below), the Issuer and the Collateral Manager will cause the Issuer and the Co-Issuer to issue Replacement Notes having the terms, priorities and conditions set forth in a proposed amendment to the Indenture approved by the Holders of at least a Majority of the Subordinated Securities and approved by the Collateral Manager. The Issuer of the Replacement Notes, and the redemption of the applicable Class or Classes of Secured Notes, will be contingent on receipt by the Issuer of sufficient funds from the issuance of the Replacement Notes to redeem the applicable Classes of Secured Notes at the Secured Note Redemption Price plus accrued interest and pay the applicable expenses of the Issuer, and the conditions in the paragraph below being satisfied at the time of such redemption. If the conditions below are not met, the Replacement Notes will not be issued and the applicable Classes of Secured Notes will not be redeemed unless the Holders of a Majority of the Subordinated Securities then elect to effect an optional redemption.

If one or more Classes of Secured Notes will remain Outstanding following a Redemption by Refinancing, the following additional conditions must be satisfied: (i) the Aggregate Outstanding Amount of each Class of Replacement Notes equals the Aggregate Outstanding Amount of the corresponding Class of Secured Notes that is redeemed; (ii) the applicable interest rate for each Class of Replacement Notes shall either (A) be computed on the basis of the same interest rate index as, and with a spread to such index that does not exceed the spread of, the corresponding Class of Secured Notes that is redeemed or (B) be a fixed rate of interest (such fixed rate of interest not to exceed the then floating interest rate applicable to the corresponding Class of Secured Notes being redeemed); (iii) the stated maturity of the Replacement Notes is not stated to occur earlier than the Stated Maturity of the corresponding Class of Replacement Notes that is redeemed; (iv) the voting rights, consent rights, redemption rights and all other rights of each class of Replacement Notes are the same as the rights of the corresponding Class of Secured Notes that is redeemed, in all material respects, (v) each of the Moody’s Rating Condition and S&P Rating Condition is satisfied in respect of the Class or Classes of Secured Notes that are not redeemed (if being agreed that, with respect to the satisfaction of the S&P Rating Condition, S&P may apply its ratings criteria as in existence); (vi) the delivery to the Trustee of an opinion of a nationally recognized law firm with substantial expertise in such matters that the Redemption by Refinancing will not adversely affect the conclusions reached in the opinion of McKee Nelson LLP, as expressed at the time of the issuance of the Securities on the Closing Date, regarding the U.S. federal income tax characterization of the Secured Notes that are not redeemed; and (vii) any expenses incurred in connection with the issuance of any Replacement Notes shall

Confidential Treatment Requested by Goldman Sachs
be paid from the proceeds of the issuance of such Replacement Notes. In addition to the foregoing, any issuance of Replacement Notes will require the delivery to the Trustee of the following opinions of a nationally recognized law firm with substantial expertise in such matters: (A) that neither the Issuer nor the Co-Issuer will be required, as a result of the issuance of the Replacement Notes (assuming such Replacement Notes are offered and sold in the manner and only to the eligible persons contemplated by this Offering Circular, the Indenture and the Purchase Agreement, as applicable), to be registered as an investment company under the Investment Company Act, as amended and (B) the issuance of the Replacement Notes will not result in the Issuer being subject to U.S. federal income taxation with respect to its net income.

Notice of a Redemption by Refinancing (any such notice, a “Notice of a Redemption by Refinancing”) will be given by the Issuer to the Trustee and by the Trustee to each Holder of Securities, the Collateral Manager, the Administrator and each Rating Agency. Failure to give Notice of a Redemption by Refinancing to any Holder of any Securities selected for redemption or any notice therein will not impair or affect the validity of the redemption of any other Securities. In addition, for so long as any Securities are listed on the Irish Stock Exchange and so long as the rules of such exchange so require, Notice of a Redemption by Refinancing will also be given by the Trustee to the Irish Paying Agent for delivery to the Irish Stock Exchange. Any definitive Securities called for redemption must be surrendered at the place specified in the notice of such redemption in order for the Holder to receive the Secured Note Redemption Price.

The Issuer, at the direction of Holders of at least a Majority of the Subordinated Securities, will have the option to withdraw any Notice of Redemption by Refinancing up to the second Business Day prior to the scheduled redemption date by written notice to the Trustee and the Collateral Manager. If any Notice of Redemption by Refinancing is withdrawn or the Issuers are otherwise unable to complete a Redemption by Refinancing, the proceeds received from any sale of the Collateral in contemplation of such Redemption by Refinancing may during the Reinvestment Period, at the Collateral Manager's discretion, be reinvested in accordance with the Reinvestment Criteria. For the avoidance of doubt, the withdrawal of such Notice of Redemption by Refinancing or the inability of the Issuer to complete redemption of the Secured Notes will not constitute an Event of Default under the Indenture. No Hedge Agreement may be terminated in connection with any Redemption by Refinancing until such time as such Notice of Redemption by Refinancing can no longer be withdrawn by the Issuer.

Mandatory Redemption

Principal Proceeds and Interest Proceeds, in the case of the Secured Notes other than the Class E Notes, or Interest Proceeds only, in the case of the Class E Notes, that are available will be used to redeem the Secured Notes (other than the Class E Notes) as described under “—Priority of Payments” (i) on any Scheduled Payment Date on which any Par Value Test was not satisfied on the immediately preceding Determination Date or (ii) on any Scheduled Payment Date on or after the Second Determination Date on which any Interest Coverage Test was not satisfied on the immediately preceding Determination Date.

The Collateral Manager will not be required to sell Collateral Obligations if the Principal Proceeds and Interest Proceeds, in the case of the Secured Notes other than the Class E Notes, or Interest Proceeds only, in the case of the Class E Notes, available would be insufficient to cause any Coverage Test to be satisfied.

In addition, Principal Proceeds and Interest Proceeds that are available will be used to redeem the Secured Notes (other than the Class E Notes) as described under “—Priority of Payments” on any Scheduled Payment Date following an Effective Date Ratings Downgrade Event.

The Subordinated Securities are not subject to mandatory redemption.

Cancellation

All Securities that are redeemed or paid and surrendered for cancellation as described herein will forthwith be cancelled and may not be reissued or resold.
Footnote Exhibits - Page 5050

Payments

Payments in respect of principal and interest on a Secured Note and distributions to Holders of Subordinated Securities will be made to the person in whose name the relevant Security is registered on the applicable record date. Payments on the Securities will be payable by wire transfer in immediately available funds to a Dollar account maintained by DTC or its nominee (in the case of the Global Securities) or each Securityholder (in the case of individual definitive Securities) to the extent practicable or otherwise by Dollar check drawn on a bank in the United States sent by mail either to DTC or its nominee (in the case of the Global Securities), or to each Securityholder at the Holder's address appearing in the Register (in the case of individual definitive Securities).

Final payments in respect of the Securities will be made only against surrender of such Securities at the office of any paying agent. None of the issuers, the Trustee or any paying agent will have any responsibility or liability for any aspects of the records maintained by DTC or its nominee or any of its participants relating to, or for payments made thereby on account of beneficial interests in, a Global Security.

The issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Security held by DTC or its nominee, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in such Global Securities as shown on the records of DTC or its nominee. The issuers also expect that payments by participants to owners of beneficial interests in such Global Securities held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominee for such customers. Such payments will be the responsibility of such participants.

For so long as the Securities are listed on the Irish Stock Exchange and the rules of such Exchange so require, the issuers will have a paying agent and a transfer agent in Ireland and will give prompt written notice to each Holder and publish in an authorized newspaper, which is expected to be the Official List, notice of the appointment, termination or change in the location of any such office or agency.

The Indenture provides that, as a condition to the payment of distributions on any Subordinated Security without withholding U.S. federal backup withholding tax imposed under the U.S. Treasury regulations, the issuer or any paying agent may require the delivery of property completed and signed applicable U.S. federal income tax certifications (generally, an Internal Revenue Service Form W-9 (or applicable successor form) in the case of a person that is a "United States person" within the meaning of section 7701(a)(30) of the Code) or an appropriate Internal Revenue Service Form W-8 (or applicable successor form) to the case of a person that is not a "United States person" within the meaning of Section 7701(1)(30) of the Code) and/or such other certification reasonably acceptable to them in order to enable the Issuer, the Trustee or any paying agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to deduct or withhold from payments in respect of such Subordinated Security under any present or future tax law or regulation of the United States or any present or future or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation.

Priority of Payments

On each Payment Date and on the Stated Maturity, the Issuer shall only make payments in accordance with the priorities (the "Priority of Payments") described below under "Interest Proceeds" and "Principal Proceeds," and, if such Payment Date is a Redemption Date, in accordance with the priorities described below under "Liquidation Proceeds".

Interest Proceeds. Without limiting any other applicable provision regarding the payment of Interest Proceeds, on each Payment Date and on the Stated Maturity, Interest Proceeds will be distributed in the following order of priority:

1. (a) to the payment of taxes of the Issuer, if any, and (b) thereafter, to the retention in the Interest Collection Account of an amount equal to (a) the Interest Reserve Amount for such
Footnote Exhibits - Page 5051

Payment Date minus (g) the Aggregate Interest Reserve Distribution Amount for such Payment Date;

(iii) to the payment of accrued and unpaid Administrative Expenses constituting (a) fees of the Trustee and reimbursement of expenses of the Trustee pursuant to the terms of the Indenture and (b) fees and reimbursement of expenses of the Collateral Administrator under the Collateral Administration Agreement; provided, however, that total payments pursuant to this subclause (i) shall not exceed, on any Payment Date other than the Initial Payment Date, an amount equal to a percentage of the Aggregate Principal Amount of the Collateral Portfolio equal to an annual rate of 0.275%, measured as of the beginning of the Due Period preceding such Payment Date (and, with respect to the Initial Payment Date, 0.0164% (not annualized) of the Aggregate Principal Amount of the Collateral Portfolio, measured as of the beginning of the Due Period preceding such Payment Date);

(iv) to the payment, pari passu, (1) to each Hedger Counterparty of the applicable Hedge Payment Amount; (2) of the Class B Interest Distribution Amount; and (3) of the Class B Principal Distribution Amount;

(v) to the payment to the Collateral Manager of, first, the current Senior Collateral Management Fee in accordance with the terms of the Collateral Management Agreement and, then, any accrued and previously unpaid Senior Collateral Management Fee;

(vi) to the payment of the Class A Interest Distribution Amount;

(vii) to the payment of the Class B interest Distribution Amount;

(viii) in the event that either the Class A/B Par Value Test is not satisfied on the immediately preceding Determination Date or the Class A/B Interest Coverage Test is not satisfied on the immediately preceding Determination Date or on or after the Second Determination Date after giving effect to the payment of any Interest Proceeds prior to this subclause (viii) and the payment of Principal Proceeds, if any, as described in subclause (6) of "Principal Proceeds" below, to the mandatory redemptions of the Class A Notes and then the Class B Notes, at the applicable Secured Note Redemption Price, pursuant to the Note Payment Sequence, so that the tax rate necessary to satisfy the Class A/B Par Value Test and the Class
Footnote Exhibits - Page 5052

981

A.B Interest Coverage Test, as applicable, or until the Class A Notes and the Class B Notes have been paid in full;

(i) to the payment of the Class C Interest Distribution Amount (other than the related Deferred Interest);

(ii) to the payment of the portion of the Class C Interest Distribution Amount that represents the related Deferred Interest;

(iii) in the event that either the Class C Par Value Test is not satisfied on the immediately preceding Determination Date or the Class C Interest Coverage Test is not satisfied on the immediately preceding Determination Date or on or after the Second Determination Date after giving effect to the payment of any Interest Proceeds prior to this subclause (ii) and the payment of Principal Proceeds, if any, as described in subclause (i) of “Principal Proceeds” below, to the mandatory redemption of the Class A Notes, then the Class B Notes and then the Class C Notes, at the applicable Secured Note Redemption Price, pursuant to the Note Payment Sequence, to the extent necessary to satisfy the Class C Par Value Test and the Class C Interest Coverage Test, as applicable, or until the Class A Notes, the Class B Notes and the Class C Notes have been paid in full;

(iv) to the payment of the Class D Interest Distribution Amount (other than the related Deferred Interest);

(v) to the payment of the portion of the Class D Interest Distribution Amount that represents the related Deferred Interest;

(vi) in the event that either the Class D Par Value Test is not satisfied on the immediately preceding Determination Date or the Class D Interest Coverage Test is not satisfied on the immediately preceding Determination Date or on or after the Second Determination Date after giving effect to the payment of any Interest Proceeds prior to this subclause (v) and the payment of Principal Proceeds, if any, as described in subclause (i) of “Principal Proceeds” below, to the mandatory redemption of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, at the applicable Secured Note Redemption Price, pursuant to the Note Payment Sequence, to the extent necessary to satisfy the Class D Par Value Test and the Class D Interest Coverage Test, as applicable, or until the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been paid in full;

(vii) to the payment of the Class E Interest Distribution Amount (other than the related Deferred Interest);

(viii) to the payment of the portion of the Class E Interest Distribution Amount that represents the related Deferred Interest;

(ix) in the event that the Class E Par Value Test is not satisfied on the immediately preceding Determination Date after giving effect to the payment of any Interest Proceeds prior to this subclause (vi) and the payment of any Principal Proceeds under “Principal Proceeds” below, to the mandatory redemption of the Class E Notes, at the applicable Secured Note Redemption Price, to the extent necessary to satisfy the Class E Par Value Test or until the Class E Notes have been paid in full;

(x) In the event an Effective Date Ratings Downgrade Event has occurred and is continuing, to the payment of principal of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, at the applicable Secured Note Redemption Price, pursuant to the Note Payment Sequence, until such Effective Date Ratings Downgrade Event no longer exists;

39

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918273
Footnote Exhibits - Page 5053

(a) to the payment to the Collateral Manager of, first, the current Subordinated Collateral Management Fee in accordance with the terms of the Collateral Management Agreement and, then, any accrued and previously unpaid Subordinated Collateral Management Fee plus interest thereon accrued at a rate of LIBOR for the Applicable Period plus 3.00% per annum to the extent not paid above; then

(b) during the Reinvestment Period, the amount necessary to satisfy the Reinvestment Test (but not to exceed 50% of the remaining Interest Proceeds available on such Payment Date) shall be used to reinvest in Collateral Obligations or shall be deposited into the Principal Collection Account (or, if required under the terms of the Indenture, the Subordinated Securities Principal Collection Account) for investment in Eligible Investments pending investment in such additional Collateral Obligations prior to the end of the Reinvestment Period; then

(c) to the payment, first, pari passu, of any accrued and unpaid fees and expenses of the Trustee and the Collateral Administrator, and second, in the order set forth in the definition of Administrative Expenses, of any accrued and unpaid Administrative Expenses of the Issuers (including, for the avoidance of doubt and without limitation, (1) indemnities and amounts payable by the Issuer to the Trustee and the Collateral Administrator, (2) indemnities and amounts payable by the Issuer to the Collateral Manager under the Collateral Management Agreement (other than the Collateral Management Fee) and (3) indemnities and amounts payable by the Issuer pursuant to any Securities Lending Agreement or related collateral arrangement), in each case to the extent not paid pursuant to subclauses (5) and (6) above; then

(d) to the payment of any termination payments (including any Debenture Hedge Termination Payments) due to any Hedging Counterparty payable by the Issuer pursuant to any Hedge Agreements, to the extent not paid from the proceeds of an upfront payment to the Issuer under a replacement Hedge Agreement and after giving effect to the payment of Principal Proceeds as provided for under subclauses (5) and (6) above; then

(e) the balance of Interest Proceeds shall be allocated, pro rata, to each subclass of Subordinated Securities (based on the Aggregate Outstanding Amounts of each subclass of Subordinated Securities) and the amount so allocated to each such subclass of Subordinated Securities shall be applied to the payment of:

(a) if such subclass of Subordinated Securities is an Included Subclass, the amount, if any, necessary to cause such Included Subclass to have realized an Internal Rate of Return of 12.0%, then

(b) the amount of the Incentive Collateral Management Fee with respect to such subclass of Subordinated Securities payable on such Payment Date; then

(c) to the Holders of the Subordinated Securities of such subclass as a distribution thereon, the balance of the Interest Proceeds so allocated to such subclass of Subordinated Securities.

On each Scheduled Payment Date, after the application of Interest Proceeds as provided above, any Interest Reserve Amount will be applied to the payment of the amounts referred to in subclauses (a) through (e) above, in such order of priority, to the extent such amounts are not paid in full with Interest Proceeds as described above.

Interest Proceeds may be applied to the payment of Administrative Expenses of the Issuers on days other than Payment Dates, provided that, in any Due Period such payments shall not exceed (c) in the case of the Due Period immediately prior to the first Scheduled Payment Date, together with all other

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-00191874
Footnote Exhibits - Page 5054

Administrative Expenses of the Issuers paid from Interest Proceeds during the immediately preceding Due Period, $150,000, (v) in the case of the second Scheduled Payment Date, together with all other Administrative Expenses of the Issuers paid from Interest Proceeds during the two immediately preceding Due Periods, $225,000, (vi) in the case of the third Scheduled Payment Date, together with all other Administrative Expenses of the Issuers paid from Interest Proceeds during the three immediately preceding Due Periods, $300,000 and (vii) in the case of fourth Scheduled Payment Date, together with all other Administrative Expenses of the Issuers, paid from Interest Proceeds during the four immediately preceding Due Periods, $375,000 and (viii) in the case of any other Scheduled Payment Date, the greater of (i) the excess, if any, of (a) $300,000 over (b) all other Administrative Expenses of the Issuers paid from Interest Proceeds during the four immediately preceding Due Periods and (d) $75,000, provided, further, that (d) such payments do not exceed the amounts permitted to be paid on the related Scheduled Payment Date pursuant to subsection (d) above and (e) sufficient Interest Proceeds have therefore been received to cover such payments.

Principal Proceeds. Without limiting any other applicable provision regarding the payment of Principal Proceeds, on each Payment Date and on the Stated Maturity, Principal Proceeds will be distributed in the following order of priority:

(i) to the payment of the amounts referred to in subsections (i)(e) and (j) through (k) of "Interest Proceeds" above (in the order of priority set forth therein), but only to the extent not paid in full thereunder;

(iii) to the payment of (a) any net termination payments (other than the amount of any Defaulted Hedge Termination Payments) payable to the Issuer pursuant to any Hedge Agreements and (b) any amounts payable into a collateral account for the benefit of the related Hedge Counterparty (any such account, a "Collateral Account"), if any, in accordance with the Indenture and the hedging agreements;

(b) first, to the payment of the amounts referred to in subsections (d) through (m) of "Interest Proceeds" above, in such order of priority, but, with respect to subsections (d), (e), (f), (g), (h), (i), (k), (l), (m), (n), (o), (p), (q), (r) and (s), only to the extent not paid in full thereunder and, with respect to subsections (d), (e), (f), (g), (h), (i) and (k), prior to giving effect to the payment of any Interest Proceeds, if any, as described in such subsections, and second, to the payment of the amounts referred to in subsection (w) of "Interest Proceeds" above with respect to the Secured Notes (other than the Class S Notes), at the applicable Secured Note Redemption Price, pursuant to the Note Payment Sequence, to the extent necessary to cure any Default Date Ratings Downgrade Event and only to the extent that the payment of Interest Proceeds thereunder for such purpose is not sufficient;

(iv) during the Reinvestment Period, at the sole discretion of the Collateral Manager:

(a) to the purchase or funding of Collateral Obligations or to the Principal Collection Account as the Revolving Credit Facility Reserve Account (or, if required under the terms of the indenture, the Subordinated Securities Principal Collection Account for investment in Eligible investments pending purchase or funding of Collateral Obligations at a later date in accordance with the Reinvestment Criteria, and/or

(b) to the payment of principal of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, at the applicable Secured Note Redemption Price, pursuant to the Note Payment Sequence, to the extent of available funds therefor, if the Collateral Manager determined, in its sole judgment, (which judgment shall not be subject to question as a result of subsequent events), that it was impractical or not beneficial to reinvest such Principal Proceeds by the end of the applicable investment Due Period;

(v) after the Reinvestment Period,

Confidential Treatment Requested by Goldman Sachs OS MBS-E-001916275
Footnote Exhibits - Page 5055

(a) in the case of Eligible Post Reinvestment Proceeds, at the sole discretion of the Collateral Manager, (i) to the purchase or funding of Collateral Obligations or to the Principal Collection Account or the Revolving Credit Facility Reserve Account (or, if required under the terms of the indenture, the Subordinated Securities Principal Collection Account) for investment in Eligible Investments pending purchase or funding of Collateral Obligations at a later date, in accordance with the Reinvestment Criteria, and in the case of additional Collateral Obligations, prior to the end of the applicable Investment Due Period or (ii) to the payment of principal of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, at the applicable Secured Note Redemption Price, pursuant to the Note Payment Sequence; and

(b) in the case of Principal Proceeds other than Eligible Post Reinvestment Proceeds, to the payment of principal of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, at the applicable Secured Note Redemption Price, pursuant to the Note Payment Sequence;

(c) after the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been paid in full,

(d) to the payment (i) first, part passu, of any accrued and unpaid fees, expenses and indemnities of the Trustee and the Collateral Administrator and (ii) second, in the order set forth in the definition of Administrative Expenses, any other accrued and unpaid expenses of the Issuers (including, for the avoidance of doubt, Administrative Expenses, indemnities and amounts payable by the Issuer under the Collateral Management Agreement (other than the Collateral Management Fee)) to the extent not paid pursuant to subsection (ac)(ii) of "Interest Proceeds" above; then

(e) to the termination of any outstanding Hedge Agreements; then

(f) to the payment to the Collateral Manager of, first, the current Subordinated Collateral Management Fee in accordance with the terms of the Collateral Management Agreement and, then, any accrued and previously unpaid Subordinated Collateral Management Fee plus Interest thereon accrued at a rate of LIBOR for the Applicable Period plus 3.00% per annum, in each case, to the extent not paid pursuant to subsection (dd)(c)(iv)(c) of "Interest Proceeds" above; and then

(g) the balance of Principal Proceeds shall be allocated, pro rata, to each subclass of Subordinated Securities (based on the Aggregate Outstanding Amounts of each subclass of Subordinated Securities) and the amount so allocated to each such subclass of Subordinated Securities shall be applied to the payment of:

(i) if such subclass of Subordinated Securities is an Included Subclass, the amount, if any, necessary to cause such Included Subclass to have realized an Internal Rate of Return of 12.0%; then

(ii) the amount of the Incentive Collateral Management Fee with respect to such subclass of Subordinated Securities payable on such Payment Date; then

(iii) to the Holders of the Subordinated Securities of such subclass as a distribution therein, the balance of the Principal Proceeds so allocated to such subclass of Subordinated Securities.

The calculation of any Par Value Test on any Measurement Date shall be made by giving effect to all payments to be made pursuant to all subclauses of the Priority of Payments, as applicable, payable on the Payment Date following such Measurement Date. In addition no Principal Proceeds will be used to pay a subordinated Class on a Payment Date if, after giving effect to such payment, any Par Value Test of a more
Footnote Exhibits - Page 5056

senior Class of Secured Notes is falling on such Payment Date or would fail as a result of such application of the Principal Proceeds on such Payment Date. See "Security for the Secured Notes—The Coverage Tests".

Depending on the requirements of the entity that acts as Hedge Counterparty, the terms of a Hedge Agreement may grant the Hedge Counterparty the option to require the Issuer to post collateral into a Counterparty Account if the Issuer fails the Class C Per Vona Test, as specified in subclauses (i) under "Principal Proceeds". If such posting requirements exist, the related Hedge Counterparty may be required to make certain payments to the Issuer to compensate the Issuer for the effect of such posting.

On a Business Day other than a Payment Date, Principal Proceeds (and to the extent there are insufficient Principal Proceeds, Interest Proceeds) may be applied to the payment of (a) any upfront payments due to any Hedge Counterparty or any replacement hedge counterparty, as the case may be, and (b) any net termination payments (other than the amount of any Defaulted Hedge Termination Payments) payable by the Issuer pursuant to any Hedge Agreement.

Liquidation Proceeds. On any Payment Date on which an optional redemption is occurring pursuant to the procedures described herein, Liquidation Proceeds will be distributed in the following order of priority:

(i) to the payment of the amounts referred to in subclauses (i), (ii)(A), (B) (without giving any consideration to subclauses (viii), (ix), (x), (xi) and (xii) of "$-Interest Proceeds" above which would otherwise be incorporated by reference) and (iv)(a) (without giving any consideration to the lead-in language to such subclause (vi) of "$-Principal Proceeds" above) of "$-Principal Proceeds" above, in such order of priority;

(ii) to the payment to the Collateral Manager of, first, the current Subordinated Collateral Management Fee in accordance with the terms of the Collateral Management Agreement and, then, any accrued and previously unpaid Subordinated Collateral Management Fee plus interest thereon accrued at a rate of LIBOR for the Applicable Period plus 3.00% per annum; and

(iv) the balance of Liquidation Proceeds shall be allocated, pro rata, to each subclass of Subordinated Securities (based on the Aggregate Outstanding Amounts of each subclass of Subordinated Securities) and the amount so allocated to each such subclass of Subordinated Securities shall be applied to the payment of:

(a) the amount of any Incentive Collateral Management Fee with respect to such subclasses of Subordinated Securities payable on such Payment Date; then

(c) to the Holders of the Subordinated Securities of such subclass as a distribution thereof, the balance of the Liquidation Proceeds so allocated to such subclass of Subordinated Securities.

Form of the Secured Notes

Each Class of Secured Notes sold in offshore transactions in reliance on Regulation S will be represented by one or more Regulation S Global Secured Notes deposited with the Trustee as Custodian for DTC and registered in the name of Cede & Co., a nominee of DTC, for the respective accounts of Euroclear and Clearstream. Interests in a Regulation S Global Secured Note may be held only through Euroclear or Clearstream.
Footnote Exhibits - Page 5057

The Secured Notes sold in reliance on Rule 144A or another exemption under the Securities Act will be represented by one or more Rule 144A Global Secured Notes deposited with the Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

The Secured Notes will be subject to certain restrictions on transfer as set forth under "Transfer Restrictions".

Except in the limited circumstances described herein, owners of beneficial interests in either the Regulation S Global Secured Notes or the Rule 144A Global Secured Notes will not be entitled to receive physical delivery of certificated Secured Notes. The Secured Notes are not issuable in bearer form.

Form of the Subordinated Securities

The Subordinated Securities sold in offshore transactions in reliance on Regulation S will be represented by one or more Regulation S Global Subordinated Securities deposited with the Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC, for the respective accounts of Euroclear and Clearstream. Interests in a Regulation S Global Subordinated Security may be held only through Euroclear or Clearstream.

The Subordinated Securities sold to Accredited Investors or Qualified Institutional Buyers will each be issued in the form of one or more certificated Subordinated Securities in fully registered form, registered in the name of the owner thereof.

The Subordinated Securities will be subject to certain restrictions on transfer as set forth under "Transfer Restrictions".

Except in the limited circumstances described herein, owners of beneficial interests in the Regulation S Global Subordinated Securities will not be entitled to receive physical delivery of certificated Subordinated Securities. The Subordinated Securities are not issuable in bearer form.

The Indenture

The following summary describes certain provisions of the Indenture. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture.

Events of Default. An "Event of Default" is defined in the Indenture as:

(a) a default in the payment, when due and payable, of any interest on any Class S Note, on any Class A Note or Class B Note, or if there are no Class S Notes, Class A Notes or Class B Notes Outstanding, any Class C Note, or if there are no Class S Notes, Class A Notes, Class B Notes or Class C Notes Outstanding, any Class D Note, or if there are no Class S Notes, Class A Notes, Class B Notes, Class C Notes or Class D Notes Outstanding, any Class E Note, which default in each case shall continue for a period of five Business Days (or, in the case of a default in payment resulting solely from an administrative error or omission by the Trustee, any paying agent or the Registrar, such default continues for a period of ten Business Days after the Trustee receives written notice of or has actual knowledge of such administrative error or omission);

(b) a default in the payment of principal on any Secured note at its Stated Maturity or Redemption Date (unless notice of such redemption has been irrevocably withdrawn);

(c) the failure on any Payment Date to distribute amounts available in the Payment Account in excess of $1,500 in accordance with the Priority of Payments and continuation of such failure for a period of ten Business Days (provided, if such failure results solely from an administrative error or omission by the Trustee, such default continues for a period of ten or

Confidential Treatment Requested by Goldman Sachs
more Business Days after the Trustee receives written notice of or has actual knowledge of such administrative error or omission).

(d) as of any Measurement Date after the Initial Investment Period, so long as the Class A Notes are Outstanding, the Class A Par Value Ratio is less than 100%;

(e) a circumstance in which either of the Issuers or the pool of Collateral becomes an investment company required to be registered under the Investment Company Act;

(f) a default in the performance, in a material respect, or breach, in a material respect, of any covenant, representation, warranty or other agreement of the Issuers in the Indenture (other than a covenant or agreement which is specifically addressed elsewhere in the Indenture) (it being understood that a failure to satisfy a Collateral Quality Test, a Coverage Test, the Reinvestment Test or a Concentration Limitation does not constitute a default or breach) or in any certificate or other writing delivered pursuant hereto or in connection herewith or if any representation or warranty of the Issuers in the Indenture or in any certificate or writing delivered pursuant hereto proves to be incorrect in any material respect when made, and, in each case, the continuance of such default or breach for a period of 30 days after written notice thereof shall have been given to the Issuers and the Collateral Manager by the Trustee or to the Issuers, the Collateral Manager and the Trustee by the Holders of at least 25% of the Aggregate Outstanding Amount of the Controlling Class, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Indenture;

(g) the entry of a decree or order by a court having competent jurisdiction adjudging either of the Issuers as bankrupt or insolvent or granting an order for relief or approving as property filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of either of the Issuers under the Bankruptcy Code, the bankruptcy or insolvency laws of the Cayman Islands (with respect to the Issuer) or any other applicable law, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of either of the Issuers or of any substantial part of its property, or ordering the winding up or liquidation of its affairs; or an involuntary case or proceeding shall be commenced against either of the Issuers seeking any of the foregoing and such case or proceeding shall continue in effect for a period of 60 consecutive days;

(h) the institution by either of the Issuers of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by either of the Issuers of a petition or answer or consent seeking reorganization or relief under the Bankruptcy Code, the bankruptcy and insolvency laws of the Cayman Islands (with respect to the Issuer) or any other applicable law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of either of the Issuers or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of any action by either of the Issuers in furtherance of any such action.

If an Event of Default shall have occurred and be continuing, the Trustee may, by notice to the Issuer and the Collateral Manager or shall, at the written direction of a Majority of the Controlling Class by notice to the Issuers (and the Trustee shall in turn provide notice to the Holders of all Securities then Outstanding and the Collateral Managers), subject to the Indenture, declare the principal of and accrued and unpaid interest on all the Secured Notes to be immediately due and payable (except that, in the case of an Event of Default described in subclause (g) or (h) above, such an acceleration will occur automatically and shall not require any action by the Trustee or any Securitization Holder).

At any time after such a declaration of acceleration of the Stated Maturity of the Secured Notes has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as provided in accordance with the terms of the Indenture, a Majority of the Controlling Class, by

Confidential Treatment Requested by Goldman Sachs
written notice to the Issuer, the Collateral Manager and the Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer or the Co-Issuer has paid or deposited with the Trustee a sum sufficient to pay, and shall pay:

(A) all overdue installments of interest on and principal of the Secured Notes (other than amounts due solely as a result of such acceleration);

(B) to the extent that payment of such interest is lawful, interest upon any Deferred Interest and Defaulted Interest at the applicable Note interest rates;

(C) all unpaid taxes and Administrative Expenses and other sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel, and

(D) all amounts then due and payable to any Hedge Counterparty; and

(ii) the Trustee has determined that either (1) all Events of Default, other than the non-payment of the interest on or principal of Secured Notes that have become due solely by such acceleration, have been cured and a Majority of the Controlling Class by written notice to the Trustee has agreed with such determination or (2) a Majority of the Controlling Class by written notice to the Trustee has waived such Event of Default as provided in the Indenture.

If an Event of Default shall have occurred and be continuing and an acceleration has occurred, the Trustee shall retain the Collateral, collect and cause the collection of the proceeds thereof and make and apply all payments and deposits in the manner described under "Description of the Securities—Priority of Payments" unless:

(a) the Trustee determines, and a Majority of the Controlling Class agrees with such determination, that the anticipated proceeds of a sale or liquidation of the Collateral (after deducting the expenses of such sale or liquidation) would be sufficient to pay in full the sum of:

(i) the principal and accrued interest with respect to all the Outstanding Secured Notes,

(ii) (A) all Administrative Expenses; (B) the net amount, if any, then payable to Hedge Counterparties by the Issuer; and (C) all other items prior in the Priority of Payments to payments on the Secured Notes, and

(iii) up to 15% of the sum of the amounts described in subclause (i) and (ii) above based on the time elapsed between the confirmation of such determination by an independent certified public accountant and the sale of the Collateral Obligations and Eligible Investments; or

(b) the Holders of at least 66.25% of the Aggregate Outstanding Amount of each Class of Secured Notes (each Class voting separately) direct the sale and liquidation of the Collateral.

Notwithstanding any provision to the contrary contained herein, if an Event of Default should occur and be continuing, the Trustee will make payments to the Holders of the Securities only in the manner described in "Description of the Securities—Priority of Payments," except that if acceleration has occurred in accordance with the terms of the Indenture, or if a Payment Defaulter has occurred and has not been cured or waived, no interest (including any Deferred Interest) shall be payable on any Class of Securities until the Aggregate Outstanding Amount of all Classes of Securities that are senior to such Class of Securities, if any, have been repaid in full.
A Majority of the Controlling Class will have the right to direct the Trustee in the conduct of any proceedings or to the sale of any or all of the Collateral, but only if (i) such direction will not conflict with any rule of law or the Indenture (including the limitations described in the paragraph above), (ii) the Trustee determines that such action will not involve it in liability or expense (unless the Trustee has, in its opinion, received reasonably satisfactory indemnity against any such liability and expense) and (iii) any such sale of any or all of the Collateral is at market prices.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in the event that an Event of Default occurs and is continuing, the Trustee is under no obligation to exercise any of the rights or powers under the indenture at the request of any Holders of Securities, unless such Holders have offered to the Trustee reasonable security or indemnity in the opinion of the Trustee. A Majority of the Controlling Class may, in certain cases, waive any default with respect to such Securities, except (i) a Payment Default or (ii) a default in respect of a covenant or provision of the indenture that cannot be modified or amended without the waiver or consent of the Holder of each Outstanding Security adversely affected thereby or (iii) a default in respect of a covenant or provision for the individual protection or benefit of the Trustee, without its consent.

No Securityholder will have the right to institute any proceeding with respect to the Indenture unless (i) such Holder previously has given to the Trustee written notice of a continuing Event of Default; (ii) except in the case of a default in the payment of principal or interest, the Holders of at least 25% of the Aggregate Outstanding Amount of the Controlling Class have made a written request upon the Trustee to institute such proceeding in its own name as Trustee and such Holders have offered the Trustee reasonable indemnity; (iii) the Trustee has for 30 days failed to institute any such proceeding; and (iv) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by a Majority of the Controlling Class.

The Issuer shall not terminate any Hedge Agreements in connection with the liquidation of Collateral pursuant to the Indenture, unless and until the conditions set forth in the Indenture and described above for liquidation of the Collateral have been satisfied.

See "Glossary of Defined Terms—Outstanding" for determining whether the Holders of the requisite percentage of Securities have given any direction, notice or consent.

Adjourn. Notices to the Holders of the Securities shall be given by first class mail, postage prepaid, to each Holder of Securities at the address appearing in the Register. In addition, for so long as the Securities are listed on the Irish Stock Exchange and so long as the rules of such Exchange so require, as determined by the Irish Listing Agent, notices to the Holders of the Securities shall also be given by publication in the Official List.

Modification of Indenture. The Issuers and the Trustee may enter into one or more supplemental indentures without obtaining the consent of Holders of the Securities if either: (a) such supplemental indenture would have no material adverse effect on any of the Holders of the Securities (as evidenced by an opinion of counsel which may be supported as to due execution (including financial and capital markets) matters by a certificate of an officer of the Collateral Manager and other documents necessary or advisable in the judgment of counsel delivering the opinion) or (b) such supplemental indenture is for any of the following purposes:

(i) to evidence the succession of any person to either the Issuer or Co-Issuer and the assumption by any such successor of the covenants of the Issuer or Co-Issuer in the Securities and the Indenture;

(ii) to add to the covenants of the Issuers or the Trustee for the benefit of the Holders of the Securities or to surrender any right or power conferred upon the Issuer;

(iii) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee, or add to the conditions, limitations or restrictions on the authorized amount, terms and purposes of the issue, authentication and delivery of the Securities;

47-
Footnote Exhibits - Page 5061

(iv) to evidence and provide for the acceptance of appointment by a successor trustee and to add to or change any of the provisions of the indenture as shall be necessary to facilitate the administration of the trusts under the indenture by more than one Trustor;

(v) to correct or simplify the description of any property at any time subject to the lien of the indenture, or to correct, simplify or otherwise improve upon any pledge, assignment or conveyance to the Trustee of any property subject to or required to be subject to the lien of the indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in applicable law or regulations) or to cause any additional property to be subject to the lien of the indenture;

(vi) to modify the restrictions on and procedures for notaries and other transferees of Securities to reflect any changes in applicable law or regulation (or the interpretation thereof) or to enable the Issuer to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder;

(vii) to otherwise correct any inconsistency or mistake or cure any ambiguity (a) arising under the indenture or (b) in connection with the final offering circular or any other transaction document;

(viii) to take any action necessary or advisable to prevent the Issuer or the Trustee from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise being subject to United States federal, state or local income tax on a net income basis;

(ix) to facilitate the issuance of additional Securities or Replacement Notes pursuant to the indenture;

(x) to modify certain representations and warranties relating to the Trustee's security interest in the Collateral;

(xi) to facilitate (A) the listing of any of the Securities on any exchange and/or (B) compliance with the rules of such exchange;

(xii) to facilitate the issuance of combination securities or other similar securities;

(xiii) to change the minimum denomination of the Securities, but in no event may denominations be less than the amount of the Dollar equivalent of $50,000;

(xiv) to facilitate securities lending (provided that no Securityholders are materially adversely affected thereby);

(xv) to accommodate the acquisition of Synthetic Securities so long as the related changes are administrative or mechanical in nature;

(xvi) to accommodate the issuance of any Securities in book-entry form through the facilities of DTC or otherwise;

(xvii) to amend the definition of "Eligible Investment" (and the related definitions) to include such other Eligible Investments that S&P has confirmed in writing to the Trustee or the Collateral Manager at the time of investment therein will not cause it to reduce or withdraw its then current rating of any Class of Secured Notes;

(xviii) to amend the definition of "Synthetic Security" (other than subclause (i), (ii), or (iii) of such definition) or "Reference Obligation" if any of the Rating Agencies changes its methodologies with respect to Synthetic Securities;
Footnote Exhibits - Page 5062

(a) to take any action necessary or advisable in the reasonable judgment of the Issuer or the Collateral Manager for the Issuer to comply with the European Union Transparency Obligations Directive or to permit the Issuers to de-list any listed Class of Securities in accordance with the Indenture;

(b) to evidence any waiver by any Rating Agency as to any requirement or condition, as applicable, of the Rating Agency in the Indenture;

(c) to facilitate hedging transactions;

(d) to modify any provision to facilitate an exchange of one security for another security of the same issuers that has substantially identical terms except transfer restrictions, including to effect any serial designation relating to the exchange; or

(e) with the consent in writing of the Collateral Manager, and upon certification in writing from, the Collateral Manager:

1. to modify the restrictions on the sales of the Collateral Obligations (and the related definitions); and

2. to enter into any additional agreement not expressly prohibited by the Indenture as well as any amendment, modification, or waiver;

provided, that, in each case above in this item (e), the Issuer has determined that the amendment, modification, supplemental indenture or waiver would not be materially adverse to holders of any Class of Securities, as evidenced by an opinion of counsel (which may be supported as to factual (including financial and capital markets) matters by a certificate of an officer of the Collateral Manager and other documents necessary or advisable in the judgment of counsel delivering the opinion).

The Trustee may, based upon an officer's certificate and an opinion of counsel provided to the Trustee by the party requesting such amendment, determine whether or not the Holders of Securities would be materially adversely affected by any supplemental indenture (after giving notice of such change to the Holders of Securities), and such determination shall be conclusive on all present and future Holders. In executing any such supplemental indenture, the Trustee shall be entitled to rely upon such officer's certificate and opinion of counsel.

The Issuers and the Trustee may also enter into one or more supplemental indentures, without obtaining the consent of holders of the Securities, whether or not adversely affected thereby, but with the consent of the Collateral Manager, so long as each of the S&P Rating Condition and the Moody's Rating Condition has been satisfied, for any of the following purposes:

(i) to change any of the components of the Ratings Matrix;

(ii) to change the Moody's Minimum Weighted Average Recovery Rate Test;

(iii) to change the S&P Minimum Weighted Average Recovery Rate Test; or

(iv) to reflect changes in Rating Agency methodologies.

With the consent of a Majority of the Outstanding Securities of each Class of Securities materially and adversely affected thereby, the Trustee and the Issuers may execute a supplemental indenture to add provisions to, or change in any manner or eliminate any provisions of the Indenture or modify in any manner the rights of the Holders of the Securities, provided that, without the consent of each Holder of each Outstanding Security of each Class adversely affected thereby, no supplemental indentures may be entered into which:

-99-
Footnote Exhibits - Page 5063

(i) change the Stated Maturity of the principal of any Secured Note, or the date on which any installment of principal or interest on any Secured Note is due and payable, change the date of any scheduled distribution on the Subordinated Securities, reduce the principal amount of any Secured Note or the Note Interest Rate or the redemption price with respect to any Secured Note, change the earliest specified date on which any Security may be redeemed, change the provisions of the Indenture for the application of Proceeds of any Collateral to the payment of principal or interest on the Secured Notes or to the payment of distributions on the Subordinated Securities or change any place where, or the coin or currency in which, any Secured Note or the principal thereof or interest thereon is payable or any Subordinated Security or distributions thereon are payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption of a Security, on or after the applicable Redemption Date of such Security);

(ii) reduce the percentage of the Aggregate Outstanding Amount of Securities of each Class of the consent of the Holders of which is required for the authorization of any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences;

(iii) impair or adversely affect the Collateral except as otherwise permitted by the Indenture;

(iv) except as expressly provided in the Indenture and other than the lien of the Indenture, permit the creation of any lien with respect to any part of the Collateral or terminate such lien on any property at any time subject thereto or deprive any Holder of a Secured Note or the Trustee of the security afforded by the lien of the Indenture;

(v) reduce the percentage of Holders of the Secured Notes of each Class whose consent is required to request the Trustee to preserve the Collateral or rescind the Trustee's election to preserve the Collateral or to sell or liquidate the Collateral pursuant to the Indenture;

(vi) modify any of the provisions of the Indenture with respect to any supplemental indenture except to increase the percentage of Outstanding Securities whose Holders' consent is required for any such action or to provide that other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security adversely affected thereby;

(vii) modify the definition in the Indenture of the term "Outstanding";

(viii) modify any of the provisions of the indenture in such a manner as to (a) affect the calculation of the amount of any payment of interest on or principal of any Secured Note, (b) modify any amount distributable to the Holders of the Subordinated Securities on any Payment Date or (c) affect the rights of the Holders of the Securities to the benefit of any provisions for the redemption of the Securities contained therein;

(ix) amend any provision of the indenture or any other agreement entered into by the Issuer with respect to the transactions contemplated hereby relating to the institution of proceedings for the issuer or the Co-Issuer to be adjudicated as bankrupt or insolvent, or the consent of the Issuer or the Co-Issuer to the institution of bankruptcy or insolvency proceedings against it, or the filing with respect to the Issuer or the Co-Issuer of a petition or answer or consent seeking reorganization, arrangement, moratorium or liquidation proceedings, or other proceedings under the Bankruptcy Code or any similar laws, or the consent of the Issuer or the Co-Issuer to the filing of any such petition or the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or any other similar official) of the Issuer or the Co-Issuer or any substantial part of its property, respectively, or

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918284
Footnote Exhibits - Page 5064

(d) amend any limited recourse provision of the Indenture or any limited recourse provision of any other agreement entered into by the Issuer or the Co-Issuer with respect to the transactions contemplated hereby (which limited recourse provision provides that the obligations of the Issuer or the Co-Issuer, as the case may be, are limited recourse obligations of the Issuer or the Co-Issuer, as the case may be, payable solely from the Collateral in accordance with the terms of the Indenture).

Unless the Collateral Manager has been given prior written notice of such amendment and has consented thereto in writing, such consent being in the sole discretion of the Collateral Manager, no supplemental Indenture may (a) affect the obligations or rights of the Collateral Manager including, without limitation, modifying the restrictions on the purchases or sales of Collateral Obligations or the Eligibility Criteria, the Collateral Quality Tests, the Coverage Tests or the Concentration Limitations or expanding or modifying the Collateral Manager’s discretion or (b) affect the amount or priority of any fees or other amounts payable to the Collateral Manager under the Collateral Management Agreement and the Indenture.

Under the Indenture, in connection with any supplemental indenture, the Trustee will, for so long as the Secured Notes are Outstanding and rated by the Rating Agencies, mail a copy of any proposed supplemental indenture to the Rating Agencies not later than 15 Business Days prior to the execution of such proposed supplemental indenture, and no such supplemental indenture shall be entered into unless S&P shall confirm in writing that such proposed supplemental indenture would not cause the rating of any Class of Secured Notes to be rescinded or withdrawn.

Additional Issuance. The Indenture will provide that additional Securities of all existing Classes of Securities may be issued and the Issuer may use the proceeds to purchase additional Collateral Obligations and, if applicable, enter into additional Hedge Agreements if the following conditions are satisfied:

(4) such additional issuances may not exceed 100% in the aggregate of the original principal or notional amount of each applicable Class of Securities;

(5) such additional Securities must be issued for a cash sales price;

(6) additional Securities of the existing Secured Notes must be issued in a pro rata amount (based on the then Aggregate Outstanding Amount of each Class of Securities), other than the Class B Notes which may or may not be issued in a pro rata amount;

(7) the terms (other than the date of issuance, the issue price, the CUSIP and the date from which interest will accrue or, in the case of the Subordinated Securities, the date from which the Holders of Subordinated Securities are entitled to receive Interest Proceeds and Principal Proceeds as distributions thereon) of such additional Securities must be identical to the terms of the previously issued Securities of the Class of which such additional Securities, as applicable, are a part;

(8) the Moody’s Rating Condition and the S&P Rating Condition must be satisfied with respect to such additional issuance;

(9) the Holders of the Subordinated Securities shall have been notified in writing at least 30 days prior to such issuance and shall have been afforded the first opportunity to purchase additional Subordinated Securities in an amount equal to the percentage of the Aggregate Outstanding Amount of Subordinated Securities each Holder held immediately prior to such issuance (the “Subordinated Securities Anti-Dilution Percentage”) of such additional Subordinated Securities and on the same terms offered to investors generally and a majority of the Subordinated Securities consent to such additional issuance;

(10) the Collateral Manager shall have consented in writing to such additional issuance;
Footnote Exhibits - Page 5065

(h) an opinion of counsel will be delivered to the Trustee to the effect that none of the Issuer, the Co-Issuer or the pool of Collateral will be required, as a result of such issuance, to be registered as an investment company under the Investment Company Act;

(i) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters must be delivered to the Trustee to the effect that (a) such additional issuance will not result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (b) such additional issuance would not cause Holders or beneficial owners of the Securities previously issued to be deemed to have sold or exchanged such Securities under Section 1091 of the Code and (c) any additional Co-Issued notes will be debt for U.S. federal income tax purposes;

(j) such additional Securities shall be issued in a manner that will allow the Issuer to accurately provide the information described in United States Treasury Regulation Section 1.1275-3(b)(1)(ii) if such additional securities are not publicly offered and are issued with original issue discount within the meaning of such regulation;

(k) any Administrative Expenses incurred with respect to such issuance will be paid from the proceeds of such issuance; and

(l) the Issuer shall deliver an officer's certificate to the Trustee certifying that the conditions precedent to such issuance set forth under this section—"Additional issuance"—have been satisfied.

In addition, the Issuer may issue and sell additional Subordinated Securities (without issuing additional Secured Notes of any Class); provided that the following conditions are satisfied:

(a) the subordination terms of such Subordinated Securities must be identical to the terms specified in the Indenture;

(b) the dates on which such additional Subordinated Securities receive any distribution from the Issuer must be the same dates as all other Subordinated Securities;

(c) each other term of such Subordinated Securities (other than the issue price thereof and the date from which the Holders of the Subordinated Securities are entitled to receive interest proceeds and principal proceeds as distributions thereon) must be no more favorable to the purchasers thereof than the corresponding term of the previously issued Subordinated Securities;

(d) such additional Subordinated Securities must be issued for a cash sales price;

(e) the Holders of the Subordinated Securities shall have been notified in writing at least 30 days prior to such issuance and shall have been afforded the first opportunity to purchase additional Subordinated Securities in an amount equal to the Subordinated Securities Anti-Dilution Percentage of such additional Subordinated Securities and on the same terms offered to investors generally (which right to purchase additional Subordinated Securities shall expire if not exercised prior to the end of business on the date 20 days after the date of receipt of notice of such issuance of such additional Subordinated Securities);

(f) the Collateral Manager shall have consented in writing to such additional issuance and B&P shall have been given prior written notice of such additional issuance;

(g) an opinion of counsel must be delivered to the Trustee to the effect that none of the Issuer, the Co-Issuer or the pool of Collateral will be required, as a result of such issuance, to be registered as an investment company under the Investment Company Act;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918295
(h) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters must be delivered to the Trustee to the effect that (x) such additional issuance will not result in the issuer becoming subject to U.S. federal income taxation with respect to its net income and (y) such additional issuance would not cause holders or beneficial owners of the Securities previously issued to be deemed to have sold or exchanged such Securities under Section 1001 of the Code;

(i) the issuer shall deliver an officer's certificate to the Trustee certifying that the conditions precedent to such issuance set forth under this section—"Additional Issuance"—have been satisfied; and

(j) any Administrative Expenses incurred with respect to such issuance will be paid from the proceeds of such issuance.

The proceeds from such additional issuance of Securities shall be applied in accordance with the time period and in the manner set forth in the table below (the "Treatment of Additional Issuances of Securities").

<table>
<thead>
<tr>
<th>When Proceeds from Additional Issuances of Securities can be used</th>
<th>Additional Issuance of Secured Notes and Subordinated Securities</th>
<th>Additional Issuance of Subordinated Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance occurs prior to the end of the Reinvestment Period</td>
<td>At or before the end of the Reinvestment Period.</td>
<td></td>
</tr>
<tr>
<td>Issuance occurs after the Reinvestment Period</td>
<td>At or before the end of the related Investment Due Date.</td>
<td></td>
</tr>
</tbody>
</table>

**If there is an Effective Date Ratings Downgrade Event**

- On any Determination Date after the Effective Date Ratings Downgrade Event, treat as Principal Proceeds and apply in accordance with "Priority of Payments—Principal Proceeds*".

**Any Determination Date on which any of the Par Value Tests are not satisfied, or on any Determination Date or after the Second Determination Date on which any of the Interest Coverage Tests are not satisfied**

- Treat as Principal Proceeds and apply in accordance with "Priority of Payments—Principal Proceeds*".

**In all other cases**

- Invest in additional Collateral Obligations or additional Hedge Agreements, and, to the extent not invested in accordance with the time period set forth in the preceding table, treat such proceeds as Principal Proceeds and apply in accordance with clause (vi) of the definition thereof.

*In the Collateral Manager's sole discretion evidenced in a writing delivered to the Trustee, and apply in accordance with "Priority of Payments—Interest Proceeds* or "Priority of Payments—Principal Proceeds*.

- Treat as Interest Proceeds or Principal Proceeds, in the Collateral Manager's sole discretion evidenced in a writing delivered to the Trustee, and apply in accordance with "Priority of Payments—Interest Proceeds" or "Priority of Payments—Principal Proceeds*.

- Treat as Principal Proceeds or Principal Proceeds, in the Collateral Manager's sole discretion evidenced in a writing delivered to the Trustee, and apply in accordance with "Priority of Payments—Interest Proceeds* or "Priority of Payments—Principal Proceeds*.

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-001918287
In connection with any additional issuance of Securities, the Issuer shall, to the extent required by the rules therefor, provide the New York Stock Exchange with a Listing Circular or an Offering Circular Supplement, relating to such additional Securities.

In addition, each additional issuance of Subordinated Securities shall be issued as a separate subclass of Subordinated Securities. In connection with the issuance of such subclass of Subordinated Securities, the Issuer shall designate whether the applicable subclass will be an "Included Subclass" or an "Excluded Subclass" (as those terms are used in the calculation and payment of Incentive Collateral Management Fees). For the avoidance of doubt, the Subordinated Securities Issued on the Closing Date will be deemed an Included Subclass.

Jurisdictions of Incorporation. Under the Indenture, the Issuer and the Co-Issuer will be required to maintain their rights and franchises as a company and a corporation incorporated under the laws of the Cayman Islands and the State of Delaware, respectively, to comply with the provisions of their respective organizational documents and to obtain and preserve their qualification to do business as foreign corporations in each jurisdiction in which such qualifications are or shall be necessary to protect the validity and enforceability of the Indenture, the Securities or any of the Collateral, provided, however, that the Issuer shall be entitled to change its jurisdiction of incorporation and principal place of business from the Cayman Islands to any other jurisdiction reasonably selected by the Issuer and approved by the ordinary shareholder of the Issuer, so long as (a) such change is not disadvantageous in any material respect to the Issuer, the Holders of any Class of Securities or the Collateral Manager; (b) written notice of such change shall have been given by the Issuer to the Trustee, the Holders, the Collateral Manager and each of the Rating Agencies at least 30 Business Days prior to such change of jurisdiction and (c) or on or prior to the 15th Business Day following such notice the Trustee shall not have received written notice from a Majority of the Controlling Class objecting to such change.

Petitions for Bankruptcy. The Indenture will provide that neither (i) the Trustee, in its own capacity, or on behalf of any Securityholder nor (ii) the Securityholders may, prior to the date which is one year and one day (or, if longer, the applicable preference period) after the payment in full of all Securities matured and the payment of all other obligations of the Issuer to the Securityholders, institute or join any other person in instituting against the Issuer or Co-Issuer any bankruptcy, reorganization, arrangement, moratorium or liquidation proceedings, or any proceedings under Cayman Islands, United States federal or state bankruptcy or similar laws.

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Collateral upon delivery to the Trustee for cancellation of all of the Securities, or, within certain limitations (including the obligation to pay principal and interest), upon deposit with the Trustee of funds sufficient for the payment of principal and interest and the payment by the Issuers of all other amounts due under the Indenture.

Trustee. The Bank of New York Trust Company, National Association will be the Trustee under the Indenture and the Securities. The Issuers and their Affiliates may maintain other banking relations or business with the Trustee, and the Trustee may engage in any other activities of every kind or nature. The payment of the fees and expenses of the Trustee relating to the Securities is solely the obligation of the Issuers. The Trustee and/or its Affiliates may receive compensation in connection with the Trustee's investment of trust assets in certain Eligible Investments as provided in the Indenture and in connection with the Trustee's administration of any securities lending activities of the Issuer.

The Indenture contains provisions for the indemnification of the Trustee for any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture. The Trustee may be removed at any time by a Majority of the Secured Notes voting together as a single class, or may be removed at any time when an Event of Default shall have occurred and be continuing, by a Majority of the Controlling Class. No resignation or removal of the Trustee shall be effective until a successor trustee has been appointed pursuant to the terms of the Indenture.

Reports Prepared Pursuant to the Indenture. Upon the written request in the form of Exhibit A hereto, any Securityholder (or its designee) may request that the Trustee provide to such Securityholder (or
Footnote Exhibits - Page 5068

Its designates the monthly reports and certain other reports prepared by or on behalf of the Issuer in accordance with the Indenture.

Governing Law. The Indenture and the Securities will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed therein without regard to the conflict of laws principles thereof.

USE OF PROCEEDS

The aggregate proceeds of the offering of the Securities are expected to equal approximately $502,000,000. Such proceeds will be used by the Issuer (i) to pay expenses related to the offering of the Securities, (ii) to satisfy the Issuer’s obligations under certain warehouse arrangements with respect to a portfolio of Collateral Obligations acquired during the Accumulation Period, (iii) to enter into one or more Hedge Agreements or after the Closing Date, (iv) to deposit an amount equal to the Expense Reserve Amount in the Expense Reserve Account and (v) to deposit into the Revolving Credit Facility Reserve Account an amount equal to the Future Drawdown Amount.

On the Effective Date, as long as the Minimum Per Value Ratio is satisfied as of such date, the Collateral Manager may, in its sole discretion, instruct the Trustee in writing to utilize up to $1,000,000 of Principal Proceeds or Principal Proceeds in accordance with the Priority of Payments and/or transfer to the Discretionary Reserve Account for future application of such funds as either Interest Proceeds or Principal Proceeds in accordance with the Priority of Payments, in each case on or before the Payment Date in February 2006. See “Security for the Secured Notes—Principal Collection Account” and “—Discretionary Reserve Account”.

On the Closing Date, the proceeds of the issuance of the Class S Notes in an amount equal to approximately $2,000,000 will be deposited in the Interest Collection Account. On or before the first Payment Date the Collateral Manager may, in its sole discretion, instruct the Trustee in writing to transfer all or a portion of funds in the Interest Collection Account (representing proceeds of the issuance of the Class S Notes) to the Principal Collection Account for application as Principal Proceeds.

It is expected that approximately $491,966,875 of the aggregate proceeds of the offering of the Securities will be available to the Issuer to satisfy its obligations under certain warehouse arrangements with respect to a portfolio of Collateral Obligations acquired during the Accumulation Period and to purchase additional Collateral Obligations.

RATING OF THE SECURITIES

It is a condition to the issuance of the Securities that the Secured Notes of each Class receive from the Rating Agencies the minimum rating indicated under “Summary—The Offering”. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. The Subordinated Securities will not be rated by any credit rating agency.

SECURITY FOR THE SECURED NOTES

Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit of the Holders of the Secured Notes and certain other parties but not the Holders of the Subordinated Securities, a perfected security interest in the Collateral, including the Collateral Obligations, that is of first priority, free of any adverse claim or the legal equivalent thereof, as applicable, to secure the Issuer’s obligations under the Indenture, the Secured Notes and each Hedge Agreement. The Subordinated Securities are not secured.

Purchase of Collateral Obligations

It is expected that, by the Closing Date, the Issuer will have purchased or entered into agreements to purchase, with the net proceeds of the issuance of the Securities, a portfolio of Collateral Obligations selected by the Collateral Manager constituting approximately 87% of the Aggregate Principal Amount of
Collateral Obligations expected to be purchased by the issuer representing approximately $430,000,000 in Aggregate Principal Amount of Collateral Obligations.

On or prior to the 10th Business Day after the Interim Targets Date, the Collateral Manager shall submit to Moody's (with a copy to the Trustee) (a) a statement showing compliance with the Interim Targets or (b) if the Interim Targets are not satisfied, a plan-certified by the Collateral Manager as sufficient, in its judgment, to attain compliance as of the Effective Date with each of the Collateral Quality Tests (other than the S&P CDO Monitor Test), the Par Value Tests, the Minimum Par Value Ratio and the Concentration Limitations.

At the Effective Date, the Aggregate Principal Amount of the Collateral Obligations and the amount of cash and Eligible Investments deposited in the Issuer Accounts are expected to be approximately $492,000,000.

An obligation will be eligible for purchase by the Issuer if it meets the Eligibility Criteria. See "Summary—The Offering—Collateral Obligations".

The Collateral Quality Tests

The "Collateral Quality Tests" will consist of the Diversity Test, the Maximum Rating Factor Test, the Minimum Weighted Average Spread Test, the Maximum Average Life Test, the Moody's Minimum Weighted Average Recovery Rate Test, the S&P Minimum Weighted Average Recovery Rate Test and the S&P CDO Monitor Test.

On and after the Effective Date, measurement of the degree of compliance with the Collateral Quality Tests will be required as of each Measurement Date.

The values at which each of the Collateral Quality Tests is satisfied and the expected value at each Collateral Quality Test upon the Effective Date are set forth in the table presented under "Summary—The Offering—Collateral Quality Tests".

Ratings Matrix. Subject to the provisions provided below, the Collateral Manager on behalf of the Issuer will have the option (in its sole discretion) to select which combination of Maximum Rating Factor, Minimum Weighted Average Spread and Minimum Diversity set forth in the Ratings Matrix shall be applicable for purposes of the Diversity Test, the Minimum Weighted Average Spread Test and the Maximum Rating Factor Test. On the Effective Date, the Collateral Manager on behalf of the Issuer, by notice in writing to the Trustee and Moody's, will elect (in its sole discretion) which "row/column combination" shall apply initially.

Thereafter, on two Business Days' written notice prior to any Measurement Date to the Trustee and Moody's, the Collateral Manager on behalf of the Issuer may elect (in its sole discretion) to have a different "row/column combination" apply. In no event will the Collateral Manager on behalf of the Issuer be obligated to elect to have a different "row/column combination" apply or to elect to have the same "row/column combination" apply.

Diversity Test. The "Diversity Test" is a test that will be satisfied if, as of any Measurement Date, the Diversity Score (rounded to the nearest whole number) equals or exceeds the number set forth in the column entitled "Minimum Diversity" in the Ratings Matrix based upon the "row/column combination" chosen by the Collateral Manager as applicable to the Collateral Obligations in accordance with the definition. For purposes of the Diversity Test, (a) any Synthetic Security that has a single underlying Reference Obligor shall be included as a Collateral Obligation having the characteristics of the related Reference Obligation and not of the Synthetic Security and any Synthetic Security that has more than one underlying Reference Obligor shall not be included in the Diversity Test, (b) any Collateral Obligation issued to a Securities Lending Counterparty shall be included in the Diversity Test so long as each Securities Lending Counterparty is not in default under the related agreement governing the loan of such Collateral Obligations (a "Securities Lending Agreement") and (c) any CDO Security that is a collateralized loan obligation shall be excluded from the Diversity Test.
Footnote Exhibits - Page 5070

Maximum Rating Factor Test. The "Maximum Rating Factor Test" will be satisfied as of any Measurement Date if the Moody's Weighted Average Rating Factor of the Collateral Obligations is equal to or less than (a) the number set forth in the column entitled "Maximum Rating Factor" in the Ratings Matrix based upon the "lowvolume combination" chosen by the Collateral Manager as currently applicable to the Collateral Obligations in accordance with the Indenture plus (b) the Rating Factor Modifier. For purposes of the Maximum Rating Factor Test, (a) unless otherwise specified, a Synthetic Security shall be included as a Collateral Obligation having a Moody's Rating Factor determined as described under "Security for the Secured Notes—Certain Matters Relating to Synthetic Securities" and having the other characteristics of the Synthetic Security (and not of the Reference Obligations) and (b) any Collateral Obligation loaned to a Securities Lending Counterparty shall be included in the Maximum Rating Factor Test so long as such Securities Lending Counterparty is not in default under the related Securities Lending Agreement.

Maximum Average Life Test. The "Maximum Average Life Test" will be satisfied as of any Measurement Date, the Weighted Average Life of the Collateral Obligations is less than or equal to the number of years applicable to the period in which such Measurement Date occurs, as set forth in a schedule to the Indenture. On the Effective Date, the Maximum Average Life Test shall be met if the Weighted Average Life of the Collateral Obligations is 10 years or less.

Minimum Weighted Average Coupon Test. The "Minimum Weighted Average Coupon Test" will be satisfied if, as of any Measurement Date, the Weighted Average Spread as of such Measurement Date equal or exceeds the Minimum Weighted Average Spread.

The "Minimum Weighted Average Spread" as of any Measurement Date will equal or be greater than the percentage set forth in the row entitled "Minimum Weighted Average Spread" in the Ratings Matrix set forth in "Summary—The Offering—Collateral Quality Tests" based upon the "lowvolume combination" chosen by the Collateral Manager as currently applicable to the Collateral Obligations in accordance with the terms of the Indenture.

Moody's Minimum Weighted Average Recovery Rate Test. The "Moody's Minimum Weighted Average Recovery Rate Test" will be satisfied as of any Measurement Date if the Moody's Weighted Average Recovery Rate is equal to or greater than the percentage set forth in "Summary—The Offering—Collateral Quality Tests".

S&P Minimum Weighted Average Recovery Rate Test. The "S&P Minimum Weighted Average Recovery Rate Test" will be satisfied as of any Measurement Date if the S&P Weighted Average Recovery Rate is equal to or greater than the percentage set forth in "Summary—The Offering—Collateral Quality Tests".

S&P CDD Monitor Test. The "S&P CDD Monitor Test" will be satisfied as of any Measurement Date after the Effective Date if, after giving effect to any purchase or sale (or both), if applicable, of a Collateral Obligation, as the case may be, each of the Class A Loss Differential, the Class A Loss Differential, the Class B Loss Differential, the Class C Loss Differential, the Class D Loss Differential and the Class E Loss Differential of the Proposed Portfolio is positive. The S&P CDD Monitor Test will be considered to be improved if each of the Class A Loss Differential, the Class A Loss Differential, the Class B Loss Differential, the Class C Loss Differential, the Class D Loss Differential and the Class E Loss Differential of the Proposed Portfolio is greater than the Class A Loss Differential, the Class A Loss Differential, the Class B Loss Differential, the Class C Loss Differential, the Class D Loss Differential and the Class E Loss Differential, the appropriate S&P CDD Monitor determined pursuant to the Indenture will be used.

After the Effective Date, S&P shall provide nine (9) different S&P CDD Monitors to the Issuer, the Collateral Manager, the Collateral Administrator and the Trustee, such S&P CDD Monitors corresponding to portfolio with weighted average spreads of 2.0%, 2.25%, 2.50%, 2.75%, 3.0%, 3.25%, 3.5%, 3.75%, 4.0% and 4.25%, respectively. The Collateral Manager on behalf of the Issuer will have the option to elect (in its sole discretion) from time to time which S&P CDD Monitor shall apply for purposes of application under the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-091919291
Footnote Exhibits - Page 5071

Indenture. After the Effective Date, the Collateral Manager on behalf of the Issuer, by written notice to the Collateral Administrator, the Trustee and S&P, will elect (in its sole discretion) to have a different S&P CDO Monitor apply, provided, that such elected S&P CDO Monitor must correspond to a portfolio with a weighted average spread that is equal to or lower than the Weighted Average Spread of the Floating Rate Collateral Obligations in the Collateral Portfolio at the time of such election; provided, further, that if the Weighted Average Spread of the Floating Rate Collateral Obligations in the Collateral Portfolio at the time of such election is less than 2.10%, then the S&P CDO Monitor that corresponds to a portfolio with a weighted average spread of 2.10% shall be used. In no event shall the Collateral Manager be obligated to elect a different S&P CDO Monitor or to retain the current S&P CDO Monitor election. For the avoidance of doubt, the selection of an S&P CDO Monitor as described in this paragraph shall be separate and independent of any election of the Collateral Manager on behalf of the Issuer (in its sole discretion) with respect to the Ratings Matrix pursuant to "Ratings Matrix" above.

In calculating the Class S Scenario Default Rate, the Class A Scenario Default Rate, the Class B Scenario Default Rate, the Class C Scenario Default Rate, the Class D Scenario Default Rate and the Class E Scenario Default Rate, the S&P CDO Monitor considers each obligor’s S&P Rating, the number of obligors in the portfolio, the obligor and industry concentrations in the portfolio and the remaining weighted average life of the Collateral Obligations and Eligible Investments and calculates a cumulative default rate based on the statistical probability of distribution of defaults on the Collateral Obligations and Eligible Investments.

The Coverage Tests

The Coverage Tests will be used primarily to determine whether (i) Interest Proceeds may be paid on the Secured Notes, (ii) Interest Proceeds will be distributed to the Holders of the Subordinated Securities, (iii) Principal Proceeds may be reinvested in Collateral Obligations and (iv) Principal Proceeds and, to the extent needed, Interest Proceeds must be used to make mandatory redemptions of the Secured Notes (other than the Class S Notes) in accordance with the Priority of Payments. See "Sale of Collateral Obligations; Substitute Securities; Exchange of Defaulted Obligations and Reinvestment Criteria", "Description of the Securities—Principal" and "—Priority of Payments".

"Coverage Tests" means the Par Value Tests and the Interest Coverage Tests.

For purposes of the Coverage Tests:

(i) unless otherwise specified, a Synthetic Security shall be treated as set forth in "Security for the Secured Notes—Certain Matters Relating to Synthetic Securities";

(ii) (a) after the occurrence of an "event of default" (as such term is defined under the related Securities Lending Agreement), all Securities Lending Collateral deposited by the related Securities Lending Counterparty in the Securities Lending Account shall be deemed to be part of the Collateral Portfolio (but not to exceed the amount of the Securities Lending Counterparty’s obligations owed to the Issuer); and (b) any Collateral Obligation issued to a Securities Lending Counterparty shall be included in the Coverage Tests for so long as an "event of default" (as such term is defined under the related Securities Lending Agreement), shall not have occurred and be continuing under the related Securities Lending Agreement;

(iii) amounts deposited in the Expense Reserve Account shall be excluded; and

(iv) amounts on deposit in each Synthetic Security Collateral Account shall be excluded (unless (a) the Collateral Manager notifies the Trustee in writing that it has determined that the amount deposited in such Synthetic Security Collateral Account exceeds the amount owed by the Issuer to the related Synthetic Security Counterparty, in which case such excess portion shall be included or (b) a termination event or an event of default has occurred under the related Synthetic Security, in which case the amount by which the amount deposited in

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918292
Sale of Collateral Obligations; Substitute Securities; Exchange of Defaulted Obligations and Reinvestment Criteria

Sales of Collateral Obligations—Generally. The Collateral Obligations may be retired prior to their respective final maturities due to, among other things, the existence and frequency of exercise of any optional or mandatory redemption features of such Collateral Obligations. In addition, at any time, the Collateral Manager (in its sole discretion) on behalf of the Issuer may direct the Trustee in writing to (1) sell, and the Trustee shall sell, in the manner directed by the Collateral Manager (in its sole discretion) on behalf of the Issuer (i) any Equity Security, (ii) any Defaulted Obligation, (iii) any Withholding Tax Security or (iv) any Credit Risk Obligation subject to, in the case of a Credit Risk Obligation, subclauses (i) and (ii) described under "Sale of Credit Improved Obligations and Credit Risk Obligations and Discretionary Sales of Collateral Obligations—Sales of Credit Risk Obligations and Credit Improved Obligations in cases of Co-Issued Notes’ Ratings Withdrawal or Downgrade") or (2) exchange a defaulted Obligation for an Exchanged Defaulted Obligation in accordance with the limitations described herein. For so long as no Event of Default has occurred and is continuing, the Collateral Manager (in its sole discretion) on behalf of the Issuer may direct the Trustee to sell, and the Trustee shall sell, in the manner directed by the Collateral Manager (in its sole discretion) on behalf of the Issuer (i) any Credit improved Obligation or (ii) any other Collateral Obligation in addition to those described in the proceeding sentence, in each case subject to the limitations on amounts and other requirements set forth in the Indenture and described herein.

Sale of Credit Improved Obligations and Credit Risk Obligations and Discretionary Sales of Collateral Obligations

Credit Risk Obligations

A Credit Risk Obligation may be sold during or after the Reinvestment Period. If the proposed sale occurs:

(i) during the Reinvestment Period, the Collateral Manager on behalf of the Issuer will seek to direct the reinvestment of the Sale Proceeds of such Credit Risk Obligation in one or more Substitute Collateral Obligations on or prior to the end of the Permitted Reinvestment Period; or

(ii) after the Reinvestment Period, if the Collateral Manager (in its sole discretion) on behalf of the Issuer elects to reinvest the Sale Proceeds of such Credit Risk Obligation, the Collateral Manager on behalf of the Issuer will seek to direct the reinvestment of the Sale Proceeds of such Credit Risk Obligation in one or more Substitute Collateral Obligations on or prior to the end of the Investment Due Period.

Credit improved Obligations

A Credit Improved Obligation may be sold during or after the Reinvestment Period so long as:

(i) if the proposed sale occurs during the Reinvestment Period, the Collateral Manager on behalf of the Issuer will seek to direct the reinvestment of the Sale Proceeds of such Credit Improved Obligation in one or more Substitute Collateral Obligations within 30 Business Days of settlement of such sale (and such 30 Business Day period may extend beyond the end of the Reinvestment Period if the end of the Reinvestment Period occurs prior to the end of such 30 Business Day period); or

(ii) if the proposed sale occurs after the Reinvestment Period, if the Collateral Manager (in its sole discretion) on behalf of the Issuer elects to reinvest the Sale Proceeds of
such Credit Improved Obligation, the Collateral Manager on behalf of the Issuer will seek to direct the reinvestment of the Sale Proceeds of such Credit Improved Obligation in one or more Substitute Collateral Obligations within 30 Business Days of settlement of such sale.

Sales of Credit Risk Obligations and Credit Improved Obligations in cases of Co- Issued Notes’ Ratings Withdrawal or Downgrade

During or after the Reinvestment Period, if Moody’s has withdrawn its rating on any of the Secured Notes (other than the Class E Notes), or reduced its rating, in the case of the Class S Notes, the Class A Notes and the Class B Notes, below the initial rating as in effect on the Closing Date or, in the case of the Class C Notes and the Class D Notes, two subcategories below the initial rating as in effect on the Closing Date (disregarding any withdrawal or reduction if subsequent thereto Moody’s has upgraded any such reduced or withdrawn rating to the initial rating in the case of the Class S Notes, the Class A Notes and the Class B Notes and to a level not more than one subcategory below the initial rating in the case of the Class C Notes and the Class D Notes, as applicable), the Collateral Manager on behalf of the Issuer may only instruct the Trustee to sell a Credit Risk Obligation or a Credit Improved Obligation, as the case may be, if

(i) one or more of the Credit Improved Criteria or Credit Risk Criteria, as the case may be, has been satisfied with respect to such Collateral Obligation; or

(ii) prior to such sale, a Majority of the Controlling Class consents to such sale; or

(iii) prior to or following each such downgrade, a Majority of each Class of Secured Notes, voting separately by Class, has consented in all or a specified lesser amount of sales of Credit Risk Obligations or Credit Improved Obligations, as the case may be (notwithstanding such downgrade), if being acknowledged and agreed that such consent will be valid for one or more such sales for each class so downward and that after any further downward, the consent of a Majority of each Class of Secured Notes, voting separately by Class, will need to be obtained again.

Discretionary Sales of Collateral Obligations

Any Collateral Obligation (other than a Defaulted Obligation, a Credit Risk Obligation, a Credit Improved Obligation, an Equity Security or a Withholding Tax Security) may be sold during the Reinvestment Period so long as:

(i) the Collateral Manager on behalf of the Issuer will seek to direct the reinvestment of the Sale Proceeds of such Collateral Obligation in one or more Substitute Collateral Obligations the Aggregate Principal Amount of which is not less than the Aggregate Principal Amount of the Collateral Obligations sold within 30 Business Days of settlement of such sale (and such 30 Business Day period may extend beyond the end of the Reinvestment Period if the end of the Reinvestment Period occurs prior to the end of such 30 Business Day period); and

(ii) the Aggregate Principal Amount of Collateral Obligations (other than a Defaulted Obligation, a Credit Risk Obligation, a Credit Improved Obligation, an Equity Security or a Withholding Tax Security) sold in the 12 months prior to such sale (or, if the date of such sale is less than 12 months after the Effective Date, from the Effective Date to the date of such sale) does not exceed 30% of the Aggregate Principal Amount of the Collateral Portfolio, measured as of the beginning of each such twelve month period (or, if applicable, the Effective Date); provided that, for purposes of calculating the limitation under this subclause, (1) the Issuer shall be deemed to have sold any Collateral Obligation that has been loaned to a Securities

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918294
Lending Counterparty but that the Securities Lending Counterparty has failed to return to the issuer as of the date that such Securities Lending Counterparty notifies the Issuer of its inability to make such return; provided, further, that, in the event the Issuer is able to purchase a Collateral Obligation that a Securities Lending Counterparty has failed to return to the Issuer, the aforesaid deemed sale shall be deemed not to have occurred and (2) the amount of any Collateral Obligation sold shall be reduced to the extent of any purchases of Collateral Obligations of the same kind (that are pari passu with such sold Collateral Obligation) occurring within 20 Business Days of such sale (determined based upon the date of any relevant trade confirmation or commitment letter).

**Discretionary Sales of Collateral Obligations in cases of Co-issued Notes’ Ratings Downgrade**

During or after the Reinvestment Period, if Moody’s has withdrawn its rating of any of the Secured Notes (other than the Class E Notes) or, in the case of the Class B Notes, the Class A Notes and the Class B Notes, reduced its rating below the Initial rating as in effect on the Closing Date or, in the case of the Class C Notes and the Class D Notes, reduced its rating to a rating two subcategories below the Initial rating as in effect on the Closing Date (disregarding any withdrawal or reduction if subsequent thereto Moody’s has upgraded or reinstated any such reduced or withdrawn rating to at least the Initial rating in the case of the Class B Notes, the Class A Notes and the Class B Notes and to a level not more than one subcategory below the Initial rating in the case of the Class C Notes and the Class D Notes, as applicable), the Collateral Manager on behalf of the Issuer may only instruct the Trustee to sell a Collateral Obligation pursuant to “—Discretionary Sales of Collateral Obligations” if (i) a Majority of the Outstanding Class Securities to such sale or (ii) prior to or following each such downgrade, a Majority of each Class of Secured Notes, voting separately by Class, has consented to all or a specified lesser amount of sales of Collateral Obligations (notwithstanding such downgrade), it being acknowledged and agreed that such consent will be valid for one or more such sales for each such further downgrade and that after any further downgrade, the consent of a Majority of each Class of Secured Notes, voting separately by Class, will need to be obtained again.

**Sale of Equity Securities and Withholding Tax Securities**

An Equity Security or a Withholding Tax Security may be sold during or after the Reinvestment Period if the proposed sale equals:

(i) during the Reinvestment Period, for so long as no Event of Default has occurred and is continuing, the Collateral Manager on behalf of the Issuer will seek to direct the reinvestment of the Sale Proceeds in one or more Substitute Collateral Obligations prior to the end of the Permitted Reinvestment Period; or

(ii) after the Reinvestment Period or after an Event of Default has occurred and is continuing, the Issuer or the Collateral Manager on behalf of the Issuer will instruct the Trustee to apply the Sale Proceeds thereof in accordance with the Priority of Payments.

**Conversion into Equity Securities and Sale of Exchanged Equity Securities**

A Collateral Obligation that is a convertible security may be voluntarily converted into an Equity Security by the Issuer only if (1) the convertible security is registered for public trading and (2) on any Determination Date or on or after the Second Determination Date, all Interest Coverage Tests are satisfied following such conversion and, in each case, the Issuer, makes a good faith effort to enter into an agreement to sell such Equity Security in accordance with the timing specified in subclause (i) of the immediately following paragraph. For the avoidance of doubt, this paragraph shall not be applicable to a purchase or exchange of an Exchanged Equity Security in accordance with “—Exchange of Defeased Obligations”.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918265
Footnote Exhibits - Page 5075

Unless acquired in connection with a default or unless the Moody's Rating Condition is satisfied, the Collateral Manager on behalf of the Issuer shall seek to sell, and direct the Trustee in writing to sell, any Exchanged Equity Security within (i) in the case of an Exchanged Equity Security received in connection with an optional conversion at the option of the holder thereof, ten Business Days of the later of (A) the first date on which the Issuer may, in compliance with applicable laws, legally sell, assign or transfer such Exchanged Equity Security and (B) notice of receipt thereof, (ii) in the case of an Exchanged Equity Security not subject to subclause (i) and in the event that any of the Coverage Tests are not met on any Measurement Date following the receipt by the Issuer of such Exchanged Equity Security, 60 days after the first date following such Measurement Date on which the Issuer may, in compliance with applicable laws, legally sell, assign or transfer such Exchanged Equity Security, (iii) in all other cases, one year after the first date on which the Issuer may, in compliance with applicable laws, legally sell, assign or transfer such Exchanged Equity Security.

Sale of Defaulted Obligations

The Collateral Manager on behalf of the Issuer may, if it believes such to be probable in its judgment, instruct the Trustee in writing to sell, and the Trustee shall sell, any Defaulted Obligation at any time, provided, however, that during the Reinvestment Period the Collateral Manager on behalf of the Issuer will seek to purchase (on behalf of the Issuer) within 90 Business Days after the settlement date for such sale of a Defaulted Obligation, one or more additional Collateral Obligations having an Aggregate Principal Amount at least equal to the Disposition Proceeds (as defined herein) received from such sale (excluding Disposition Proceeds that constitute Interest Proceeds). After the Reinvestment Period, the Collateral Manager on behalf of the Issuer will instruct the Trustee to apply the Sale Proceeds of Defaulted Obligations in accordance with the Priority of Payments. For the avoidance of doubt, (a) the exchange of a Defaulted Obligation for an Exchanged Defaulted Obligation shall not be deemed to be a sale of a Defaulted Obligation and (b) the Issuer shall be under no obligation to set a Defaulted Obligation at any time.

Exchange of Defaulted Obligations

Notwithstanding the provisions described under "—Conversion into Equity Securities and Sale of Exchanged Equity Securities," at any time, the Collateral Manager (in its sole discretion) on behalf of the Issuer may instruct the Trustee in writing to exchange a Defaulted Obligation for (i) another Defaulted Obligation (an "Exchanged Defaulted Obligation") or (ii) an Exchanged Equity Security for so long as at the time of or in connection with such exchange:

(a) such Exchanged Defaulted Obligation or Exchanged Equity Security is issued by the same obligor as the Defaulted Obligation (or an Affiliate of or successor to such obligor or an entity that succeeds to substantially all of the assets of such obligor) and, in the case of such Exchanged Defaulted Obligation, ranks in right of payment no more junior than the Defaulted Obligation for which it was exchanged; provided that if the Issuer is also required to pay an amount for such Exchanged Defaulted Obligation or Exchanged Equity Security, the Issuer may use Interest Proceeds to effect such payment for so long as, after giving effect to such purchase, there would be sufficient proceeds in the Interest Collection Account of the Subordinated Securities Interest Collection Account to pay all amounts required to be paid pursuant to the Priority of Payments prior to any contributions to Holders of the Subordinated Securities on the next succeeding Payment Date;

(b) in the case of an Exchanged Defaulted Obligation, (1) if any Par Value Test is not satisfied following such exchange, then such Par Value Test is at least as close to being satisfied after such exchange as prior to such exchange and (2) on any Determination Date on or after the Second Determination Date, if any Interest Coverage Test is not satisfied following such exchange, then such Interest Coverage Test is at least as close to being satisfied after such exchange as prior to such exchange.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918296
(c) in the case of an Exchanged Defaulted Obligation, if rated by the Rating Agencies and if each of the Maximum Rating Factor Test or the SAP CDO Monitor Test is not satisfied following such exchange, then each such Maximum Rating Factor Test or the SAP CDO Monitor Test is at least as close to being satisfied following such exchange as prior to such exchange;

(d) in the case of an Exchanged Defaulted Obligation, the expected total recovery proceeds of such Exchanged Defaulted Obligation, as determined by the Collateral Manager, must be no less than the expected total recovery proceeds of the Defaulted Obligation for which it was exchanged; and

(e) as determined by the Collateral Manager on behalf of the Issuer, in the case of an Exchanged Defaulted Obligation, if any Concentration Limitation is not satisfied following such exchange, then any such Concentration Limitation is at least as close to being satisfied as prior to such exchange.

Reinvestment in Collateral Obligations

Reinvestment shall be subject to market conditions and the availability and suitability of available investments.

Reinvestment Criteria

The Reinvestment Criteria will be measured immediately before the Issuer commits to purchase or purchases a Collateral Obligation, and are designed to compare (i) the Collateral Portfolio before the proposed addition of a Collateral Obligation to the Collateral Portfolio and (ii) the Collateral Portfolio immediately after such Collateral Obligation is added to the Collateral Portfolio. Accordingly, when used with respect to the Reinvestment Criteria, the phrase “prior to such reinvestment” shall mean the following:

(i) Immediately prior to the sale of the related Collateral Obligation, with respect to the reinvestment of the Sale Proceeds of a Credit Improved Obligation or a Collateral Obligation other than a Credit Risk Obligation, an Equity Security, a Withholding Tax Security or a Defaulted Obligation;

(ii) Immediately prior to the reinvestment of the Sale Proceed of a Credit Risk Obligation, an Equity Security, a Withholding Tax Security or a Defaulted Obligation.

(A) Notwithstanding the foregoing discussion, but subject to subclause (B) below, if the Reinvestment Criteria would not be satisfied upon the proposed purchase of a single Collateral Obligation but the Reinvestment Criteria would be satisfied upon the proposed purchase of a number of Collateral Obligations (including such single Collateral Obligation), testing the Reinvestment Criteria as described below in subclause (i), then the Reinvestment Criteria will be deemed to be satisfied for all such Collateral Obligations if the following conditions are met:

(i) such Collateral Obligations have been acquired or will be acquired by the Issuer in accordance with a Trading Plan;

(ii) as evidenced by an officer’s certificate of the Collateral Manager delivered to the Trustee on or prior to the earliest event specified in such Trading Plan, the Reinvestment Criteria are expected to be satisfied as of the trade date relating to the last Collateral Obligation that will be purchased pursuant to such Trading Plan or, if not expected to be satisfied as of such trade date, are expected to be maintained or improved as of such trade date;

(iii) the ratings by Moody’s on the Class G Notes, the Class A Notes and the Class B Notes at the time of acquisition are not one or more rating subcategories, and the ratings by Moody’s on the Class G Notes and the Class D Notes are not two or more rating subcategories; in
each case, below the applicable ratings in effect on the Closing Date or withdrawn by Moody's; and

(iv) no more than one Trading Plan may be in effect at any time.

(b) Subject to (c) below, as measured on the last applicable trade date, if a Trading Plan that was implemented results in either (i) if the Reinvestment Criteria were satisfied before the execution of such Trading Plan, the failure to satisfy such Reinvestment Criteria or (ii) if the Reinvestment Criteria were not satisfied before the execution of such Trading Plan, the issuer’s failure to maintain or improve its level of compliance with the Reinvestment Criteria, the issuer will be prohibited from entering into any additional Trading Plan notwithstanding that such Trading Plan was implemented in good faith unless the events specified in clauses (i) or (ii) were due to (x) a failure of a counterparty or issuer to comply with any of its payment or delivery obligations to the issuer or any other default by such counterparty or issuer for reasons beyond the control of the issuer or any other terms that were agreed with the issuer at or prior to the commencement of such Trading Plan or (y) an error or omission of an administrative or operational nature made by any bank, broker-dealer, clearing corporation or other similar financial intermediary holding funds, securities or other property directly or indirectly for the account of the issuer. S&P will be notified of any failed Trading Plan.

(c) Notwithstanding subclause (b) above, following a prohibition to enter additional Trading Plans due to the circumstances described in subclauses (b)(i) or (b)(ii) above, if the issuer or the Collateral Manager, on behalf of the issuer, no later each of the Rating Agencies at its discretion to implement an additional Trading Plan, upon satisfaction of the S&P Rating Condition and the Moody’s Rating Condition, the issuer may implement such additional Trading Plan in accordance with the provisions set forth in the Indenture. Upon satisfaction of the conditions set forth in the preceding sentence, any prohibition shall be lifted until a subsequent Trading Plan would otherwise cause the issuer to be prohibited from entering additional Trading Plans.

A Collateral Obligation (other than an Exchange Defaulted Obligation, which need not satisfy these tests to be included) will be eligible for inclusion in the Collateral only if subclause (a) or (b) is satisfied, as applicable (collectively, the “Reinvestment Criteria”). The Reinvestment Criteria are not required to be satisfied during the Initial Investment Period.

(a) During the Reinvestment Period after the Initial Investment Period:

(i) with respect to any reinvestment of Principal Proceeds (other than those amounts described in subclause (c) of the definition of thereof), (1) if any Par Value Test is not satisfied following such reinvestment, then such Par Value Test is at least as close to being satisfied after such reinvestment as prior to such reinvestment, (2) on the Second Determination Date and any subsequent Measurement Date, if any interest Coverage Test is not satisfied following such reinvestment, then such Interest Coverage Test is at least as close to being satisfied after such reinvestment as prior to such reinvestment and (3) if the Minimum Par Value Ratio is not satisfied following such reinvestment, then either: (x) the Minimum Par Value Ratio is no lower after such reinvestment than prior to such reinvestment, or (y) any of the Moody’s Weighted Average Rating Factor, Diversity Score or Weighted Average Life is improved after giving effect to such reinvestment;

(ii) with respect to any reinvestment of Principal Proceeds described in subclause (b) of the definition thereof, (1) the Par Value Tests are satisfied following such reinvestment and (2) on the Second Determination Date and any subsequent Measurement Date, the Interest Coverage Tests are satisfied following such reinvestment;

(iii) if the Diversity Test is not satisfied following such reinvestment, then such Diversity Test is at least as close to being satisfied after such reinvestment as prior to such reinvestment;
Footnote Exhibits - Page 5078

(iv) if the Maximum Rating Factor Test is not satisfied following such reinvestment, then the Moody’s Weighted Average Rating Factor is no higher after such reinvestment than prior to such reinvestment;

(v) if the Minimum Weighted Average Coupon Test is not satisfied following such reinvestment, then the Weighted Average Spread is no lower after such reinvestment than prior to such reinvestment;

(vi) if the Maximum Average Life Test is not satisfied following such reinvestment, then the Weighted Average Life is no longer after such reinvestment than prior to such reinvestment;

(vii) if the Moody’s Minimum Weighted Average Recovery Rate Test is not satisfied following such reinvestment, then the Moody’s Weighted Average Recovery Rate is no lower after such reinvestment than prior to such reinvestment;

(viii) if the S&P Minimum Weighted Average Recovery Rate Test is not satisfied following such reinvestment, then the S&P Weighted Average Recovery Rate determined with respect to each Class of Secured Notes is no lower after such reinvestment than prior to such reinvestment;

(ix) if the S&P CDO Monitor Test is satisfied prior to such reinvestment, then the S&P CDO Monitor Test is satisfied after such reinvestment or if the S&P CDO Monitor Test is not satisfied prior to such reinvestment and the S&P CDO Monitor Test is not satisfied following such reinvestment, then (1) the Class A Loss Differential, the Class B Loss Differential, the Class C Loss Differential, the Class D Loss Differential and the Class E Loss Differential are no lower after such reinvestment than prior to such reinvestment and (2) the Issuer shall notify S&P of the Class A Loss Differential, the Class B Loss Differential, the Class C Loss Differential, the Class D Loss Differential and the Class E Loss Differential immediately prior to, and immediately after, such reinvestment, provided, however, that the subclause (x) shall not apply to the reinvestment of Sale Proceeds from the sale of Credit Obligations, Defeated Obligations, Withholding Tax Securities and Equity Securities;

(x) no Event of Default exists at the time such Reinvestment Criteria are applied; and

(x) with respect to the Collateral Portfolio, if any Concentration Limitation is not satisfied following such reinvestment, then any such Concentration Limitation is at least as close to being satisfied after such reinvestment as prior to such reinvestment.

For the avoidance of doubt, Sale Proceeds may be invested in Eligible Investments, each with a maturity date, not to exceed the date that is one Business Day prior to the Scheduled Payment Date next succeeding the Due Period in which such Sale Proceeds are received, pending investment in Collateral Obligations.

(b) After the Reinvestment Period:

(i) the Class A Par Value Test, the Class C Par Value Test, the Class D Par Value Test and the Interest Coverage Tests must be satisfied;

(ii) if the Minimum Par Value Ratio is not satisfied following such reinvestment, then either: (x) the Minimum Par Value Ratio is no lower after such reinvestment than prior to such reinvestment, or (y) any of the Moody’s Weighted Average Rating Factor, Diversity Score or Weighted Average Life is improved after giving effect to such reinvestment;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001018269
Footnote Exhibits - Page 5079

(ii) if the Dividend Test is not satisfied following such reinvestment, then such Dividend Test is at least as close to being satisfied after such reinvestment as prior to such reinvestment;

(iv) the Maximum Rating Factor Test is satisfied after such reinvestment;

(v) if the Minimum Weighted Average Coupon Test is not satisfied following such reinvestment, then the Weighted Average Spread is no lower after such reinvestment than prior to such reinvestment;

(vi) if the Moody’s Minimum Weighted Average Recovery Rate Test is not satisfied following such reinvestment, then the Moody’s Weighted Average Recovery Rate is no lower after such reinvestment than prior to such reinvestment;

(vii) if the S&P Minimum Weighted Average Recovery Rate Test is not satisfied following such reinvestment, then the S&P Weighted Average Recovery Rate determined with respect to each Class of Secured Notes is no lower after such reinvestment than prior to such reinvestment;

(viii) no Event of Default exists at the time such Reinvestment Criteria are applied;

(ix) the Aggregate Principal Amount of Caa/CCC Collateral Obligations represents less than 7.5% of the Aggregate Principal Amount of the Collateral Portfolio;

(x) with respect to the Collateral Portfolio, if any Concentration Limitation is not satisfied following such reinvestment, then such Concentration Limitation is at least as close to being satisfied after such reinvestment as prior to such reinvestment;

(xi) the S&P CDO Evaluator Test is satisfied;

(xii) the Maximum Average Life Test is satisfied following such reinvestment; and

(xiii) the ratings assigned to the Secured Notes (other than the Class E Notes) by Moody’s as of the Closing Date have not been reduced by two or more subcategories (in the case of the Class C Notes and the Class D Notes) or by one or more subcategories (in the case of the Class B Notes, the Class A Notes and the Class B Notes) since the Closing Date and have not been withdrawn by Moody’s or upgraded or reinstated any such reduced or withdrawn rating to at least the initial rating, in effect as of the Closing Date (in the case of the Class C Notes, the Class A Notes and the Class B Notes) or to a level not more than one subcategory below the initial rating in effect as of the Closing Date (in the case of the Class C Notes and the Class D Notes)).

Purchase of Equity Securities

Except in connection with the purchase or exchange of an Exchanged Equity Security as described under “—Sale of Collateral Obligations; Substitute Securities; Exchange of Defaulted Obligations and Reinvestment Criteria—Exchange of Defaulted Obligations,” if the Collateral Manager directs the Trustee to purchase any Collateral Obligation which is convertible into an equity security or which has equity features attached, the Collateral Manager on behalf of the Issuer shall determine the portion of the purchase price of such Collateral Obligation that is attributable to the value of the option to convert such Collateral Obligation into an equity security or to the value of equity features, as applicable. If the Collateral Manager determines (in its sole discretion) on behalf of the Issuer to exercise any warrants received in respect of any Collateral Obligations, the Collateral Manager shall instruct the Trustee, in writing, to apply interest Proceeds allocable to the Subordinated Securities Interest Collection Account to pay such Excess Equity Feature Value or to

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918300
examine any such warrants, provided that the Collateral Manager shall not direct the Trustee to make such purchase or to exercise any such warrants if, after giving effect to such purchase or exercise, as applicable, there would be insufficient proceeds to pay all amounts required to be paid pursuant to the Priority of Payments prior to distributions to Holders of the Subordinated Securities on the next succeeding Payment Date.

No equity security may be acquired unless it is either (i) an Equity Security or (ii) an Exchanged Equity Security.

Certain Matters Relating to Synthetic Securities

General. Synthetic Securities will be purchased or entered into by the Issuer for such purposes as (but not limited to):

(i) structuring an investment in Reference Obligations with a desired maturity, currency or interest rate which otherwise may be inconsistent with the criteria for purchasing Collateral Obligations;

(ii) achieving yield enhancement based on the coupon payments by a Reference Obligor;

(iii) establishing recovery floors or other means of credit protection as a result of defaults on Reference Obligations.

The Issuer's exposure to a particular Synthetic Security Counterparty will be subject to the limitations described in "Glossary of Defined Terms—Synthetic Security Counterparty".

As part of the purchase of a Synthetic Security, the Issuer may be required to purchase or post Synthetic Security Collateral. See "—Synthetic Security Collateral Account".

Treatment of Synthetic Securities (Including Form Approved Synthetic Securities)

<table>
<thead>
<tr>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>For all purposes</td>
</tr>
<tr>
<td>Principal Balance</td>
</tr>
<tr>
<td>For purposes of determining compliance with the Concentration Limitations, any Synthetic Security with an S&amp;P Recovery Rate and a Moody's Recovery Rate equivalent to the S&amp;P Recovery Rate and Moody's Recovery Rate of a Senior Secured Loan, Senior Unsecured Loan or a Subordinated Loan (taking into account any recovery floors with respect to any Reference Obligation subject to such Synthetic Security)</td>
</tr>
<tr>
<td>Moody's Default Probability Rating</td>
</tr>
<tr>
<td>Moody's Rating</td>
</tr>
<tr>
<td>Moody's Rating Factor</td>
</tr>
<tr>
<td>Moody's Recovery Rate</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918301
Footnote Exhibits - Page 5081

<table>
<thead>
<tr>
<th>SAP Rating</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>As provided by SAP</td>
<td></td>
</tr>
<tr>
<td>SAP Recovery Rate</td>
<td>As provided in the definition of &quot;SAP Weighted Average Recovery Rate&quot;</td>
</tr>
<tr>
<td>Concentration Limitations (other than those for determining compliance with the Concentration Limitation relating to Floating Rate Collateral Obligations)</td>
<td>Look to the Reference Obligor</td>
</tr>
<tr>
<td>Concentration Limitations (for determining compliance with the Concentration Limitation relating to Floating Rate Collateral Obligations)</td>
<td>Look to the Reference Obligor</td>
</tr>
<tr>
<td>For purposes of determining compliance with subclause (ii) of the definition of &quot;Collateral Obligation&quot;</td>
<td>Look to the Reference Obligor (provided that Synthetic Securities that specify an index shall be disregarded for the purposes of calculating the Diversity Score)</td>
</tr>
<tr>
<td>Diversity Score</td>
<td>Look to the Reference Obligor</td>
</tr>
</tbody>
</table>

Hedge Agreements

On or after the Closing Date, the Issuer may, subject to the conditions described herein, enter into one or more Hedge Agreements with one or more Hedge Counterparties.

After the Closing Date, the Issuer is authorized to and may enter into Hedge Agreements from time to time but solely for the purpose of managing interest rate and other risks in connection with the Issuer’s issuance of, and making of payments on, the Securities and the Issuer’s ownership and disposition of the Collateral Obligations and with such Hedge Counterparties as the Issuer may in its sole discretion, subject to all of the above conditions to the Moody’s Rating Condition and the S&P Rating Condition having been satisfied. All payments due to any Hedge Counterparty under any Hedge Agreement shall be paid in accordance with the Priority of Payments provided, however, that to the extent any payments are received by the Issuer as a result of entering into any such transaction(s), the Hedge Counterparty that is being replaced shall have first priority as to such payments versus all other creditors of the Issuer, and the Issuer shall pay (or cause the Trustee to pay) such amounts equal to the termination payments over to the Hedge Counterparty that is being replaced immediately upon receipt. See "Description of the Securities—Priority of Payments".

Except to the extent otherwise approved by the Rating Agencies, if either of the Rating Agencies downgrades the applicable Hedge Counterparty below the Required Hedge Counterparty Rating, an Additional Termination Event (as defined in the Hedge Agreement) (a "Downgrade Terminating Event") shall occur unless (x) such Hedge Counterparty has a short-term rating of at least "A-3" by S&P or, if no such short-term rating exists, a long-term senior unsecured debt rating, financial program rating, derivatives counterpart rating, counterparty risk rating or similar rating of at least "BBB-" by S&P and (y) at least one of the following events has occurred:

(i) within the time period specified in the Hedge Agreement with respect to such downgrade, such Hedge Counterparty shall transfer the Hedge Agreement, in whole, but not in part, to a counterpart that satisfies the Required Hedge Counterparty Rating, subject to the satisfaction of the Moody’s Rating Condition or the S&P Rating Condition, as applicable;

(ii) within the time period specified in the Hedge Agreement with respect to such downgrade, such Hedge Counterparty shall collateralize (pursuant to a credit support annex to be entered into at such time) its exposure to the Issuer, subject to the satisfaction of the Moody’s Rating Condition or the S&P Rating Condition, as applicable;

Confidential Treatment Requested by Goldman Sachs
(ii) within the time period specified in the Hedge Agreement with respect to such downgrade, the obligations of the Hedge Counterparty under the Hedge Agreement shall be guaranteed by a person or entity that satisfies the Required Hedge Counterparty Rating, subject to the satisfaction of the Moody’s Rating Condition or the S&P Rating Condition, as applicable; or

(iv) within the time period specified in the Hedge Agreement with respect to such downgrade, such Hedge Counterparty shall take such other steps, if any, to enable the Issuer to satisfy the Moody’s Rating Condition or the S&P Rating Condition, as applicable.

It shall also be an Additional Termination Event (as defined in the Hedge Agreement) if a Hedge Counterparty has a short-term rating of at least “A-1” by S&P or, if no such short-term rating exists, a long-term senior unsecured debt rating, financial program rating, derivatives counterparty rating, counterpart risk rating or similar rating of less than “BBB-” by S&P and within the time period specified in the Hedge Agreement, such Hedge Counterparty, while collateralizing its exposure to the Issuer, fails to transfer the Hedge Agreement, in whole, but not in part, to a counterparty that satisfies the Required Hedge Counterparty Rating, subject to satisfaction of the Moody’s Rating Condition or the S&P Rating Condition, as applicable.

The Hedge Counterparties may be Affiliates of the Initial Purchaser and/or Affiliates of the Collateral Manager, which arrangements may create certain conflicts of interest. See “Risk Factors—Certain Conflicts of Interest”.

Hedge Agreements may be terminated in accordance with their terms, whether or not the Secured Notes have been paid in full or redeemed prior to such termination, upon the earliest to occur of (i) certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization of the issuer or the related Hedge Counterparty, (ii) failure on the part of the issuer or the related Hedge Counterparty to make any payment under the Hedge Agreement within the applicable grace period, (iii) a change in law making it illegal for either the issuer or the related Hedge Counterparty to be a party to, or perform an obligation under, the Hedge Agreement, (iv) an optional redemption of the Securities as described in “Description of the Securities—Optional Redemption” or (v) certain other events specified in the related Hedge Agreement; provided, however, that (x) no Hedge Agreement may be terminated by any party thereto in connection with an event specified in clause (iv) above until the requirements set forth in the third paragraph under “Description of the Securities—Optional Redemption—Optional Redemption Procedures” have been satisfied and following the expiration of any right of the Issuer to withdraw the related notice of redemption, and (y) if the occurrence or continuance of an Event of Default (other than any Event of Default which is also an event specified in clauses (i) or (ii) above) is a termination event under a Hedge Agreement, then such Hedge Agreement may not be terminated by any party thereto for so long as a Majority of the Controlling Class may rescind and annul the declaration of the related Event of Default in accordance with the provisions of the Indenture.

If the Issuer is unable to or, if applicable, chooses not to obtain a substitute Hedge Agreement in the event that a Hedge Agreement is terminated, interest due on the Secured Notes will be paid from amounts received on the Collateral Obligations without the benefits of a Hedge Agreement or a substitute Hedge Agreement. If the Indenture obligates the Issuer to seek a replacement upon termination of the Hedge Agreement and the Issuer is unable to find a suitable replacement Hedge Agreement, there can be no assurance that the Moody’s Rating Condition and the S&P Rating Condition will be satisfied in respect of the Secured Notes. There can be no assurance that such amounts will be sufficient to provide for the full payment of interest on the Secured Notes at the applicable Note Interest Rate or that amounts that would otherwise be distributable to the Holders of the Subordinated Securities will not be reduced in such case.

A termination of a Hedge Agreement does not constitute an Event of Default under the Indenture.

The occurrence of any optional redemption of the Securities will cause the termination of any Hedge Agreement in place at such time. Such termination may require the Issuer to make a termination payment to the Hedge Counterparty, and the Holders may be unable to effect an optional redemption (other than in connection with an optional redemption following a Withholding Tax Event) despite having sufficient proceeds prior to making such termination payment to pay or redeem the Secured Notes and certain

Confidential Treatment Requested by Goldman Sachs
expenses in full. In addition, in order to liquidate the Collateral following an Event of Default, the Hedge Agreement must be terminated and proceeds from such liquidation must be sufficient to pay any termination payment owing to the Hedge Counterparty in addition to any amounts owing under the Secured Notes. As a result, as set forth in the Indenture, the Holders of the Secured Notes may be unable to effect a liquidation of the Collateral following an Event of Default despite having sufficient proceeds prior to the payment of such termination payment to pay the Secured Notes and certain expenses in full.

Depending on the requirements of the entity that acts as Hedge Counterparty, the issuer may be required to post collateral to such Hedge Counterparty if the Class C Fair Value Test is not satisfied on any Determination Date or the Class C Interest Coverage Test is not satisfied on any Determination Date or on or after the Second Determination Date, as specified in subclause (ii) under "Description of the Securities—Priority of Payments—Principal Payments". If such posting requirements exist, the related Hedge Counterparty may be required to make certain payments to the Issuer to compensate the Issuer for the effect of such posting. See "Description of the Securities—Priority of Payments—Principal Payments".

With respect to any Hedge Agreement, (i) the Issuer may, with the consent of the applicable Hedge Counterparty, assign or transfer all or a portion of any Hedge Agreement, (ii) a Hedge Counterparty may assign its obligations under a Hedge Agreement to any institution (with the consent of the Issuer, if so required by the terms of the applicable Hedge Agreement), (iii) the Issuer and the Hedge Counterparty may amend a Hedge Agreement and/or (iv) the Issuer may terminate a Hedge Agreement and replace a Hedge Counterparty, provided, however, that in the case of (ii) each of the Moody's Rating Condition and the S&P Rating Condition has been satisfied and in such case (i), (ii) or (iv), the Moody's Rating Condition has been satisfied and, if the Issuer will be required to make a payment in connection with such assignment, transfer or termination, the S&P Rating Condition has been satisfied. Provided further, that the Issuer may terminate a Hedge Agreement without satisfaction of the Moody's Rating Condition and the S&P Rating Condition in connection with an optional redemption of the Securities if all conditions applicable to such optional redemption are satisfied in the Indenture.

Any Hedge Agreements will be governed by, and construed in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof and shall contain appropriate limited recourse and non-petition provisions as against the issuer equivalent (mutatis mutandis) to those contained in the Indenture.

Securities Lending

Provided that no Event of Default has occurred and is continuing, the Collateral Manager on behalf of the Issuer, from time to time, in its sole discretion, may instruct the Trustee in writing to lend Collateral Obligations to Securities Lending Counterparties which Securities Lending Counterparties may be Affiliates of the Initial Purchaser and/or Affiliates of the Collateral Manager pursuant to one or more Securities Lending Agreements.

Such Securities Lending Agreements may create certain conflicts of interest. See "Risk Factors—Certain Conflicts of Interest". The duration of any Securities Lending Agreement, and the Collateral Portfolio held thereunder, shall not exceed the Stated Maturity of the Securities.

Each Securities Lending Agreement shall be on market terms (except as may be required below), as determined by the Collateral Manager on behalf of the Issuer, in its sole judgment and shall:

(i) require that, in the first instance, the Securities Lending Counterparty return to the Issuer debt obligations that are identical (in terms of issue and class) to the loaned Collateral Obligations, provided that if the Issuer and the Trustee have received an opinion or advice of tax counsel of nationally recognized standing in the United States experienced in such matters to the effect that the failure of the Securities Lending Counterparty to return such loaned Collateral Obligations will not cause the Issuer to be engaged, or deemed to be engaged, in a trade or business in the United States for United States federal income tax purposes or otherwise to be subject to United States federal income tax on a net basis, the issuer may accept an alternative other than such loaned Collateral Obligations from the

Confidential Treatment Requested by Goldman Sachs QS MBS-E-001918304
Footnote Exhibits - Page 5084

Securities Lending Counterparty (for so long as the failure of the Securities Lending Counterparty to provide such alternative will not constitute an event of default under such Securities Lending Agreement); 

(ii) require that the Securities Lending Counterparty pay to the Issuer such amounts as are equivalent to all interest and other payments that the owner of the Debentures is entitled to for the period during which the Debentures are held and such payments shall not be subject to any withholding tax imposed by any jurisdiction unless the Securities Lending Counterparty is required under the Securities Lending Agreement to make "gross-up" payments to the Issuer that cover the full amount of such withholding tax on an after-tax basis;

(iii) require that the Moody's Rating Condition and the S&P Rating Condition be satisfied;

(iv) be governed by the laws of New York; and

(v) permit the Issuer to assign its rights thereunder to the Trustee pursuant to the Indenture.

In addition, the Issuer may indemnify a collateral agent or any other person acting in a similar capacity in connection with a Securities Lending Agreement (although any such indemnity payments will constitute Administrative Expenses and will be subject to the Priority of Payments).

A Securities Lending Counterparty will be required to post with the Trustee, or any Securities Intermediary, Securities Lending Collateral to secure its obligation to return the Collateral Obligations. "Securities Lending Collateral" means any cash or direct registered debt obligations of the United States of America that have a maturity of five years or less and that are pledged by a Securities Lending Counterparty as collateral pursuant to a Securities Lending Agreement.

Such collateral will be maintained at all times with the Trustee or any Securities Intermediary in an amount equal to an agreed upon percentage (no less than 100% and in accordance with the relevant Securities Lending Agreement) of the current market value (determined daily by the related Securities Lending Counterparty and monitored by the Collateral Manager on behalf of the Issuer) of the Issued Securities. Such collateral will not constitute Collateral Obligations and will not be available to support payments on the Secured Notes or for distribution to the Holders of the Subordinated Securities unless the related Securities Lending Counterparty defaults in its obligation to return the Collateral Obligations to the Issuer.

If either of the Rating Agencies downgrades a Securities Lending Counterparty such that the Securities Lending Agreement or Securities Lending Agreements to which the Securities Lending Counterparty is a party are no longer in compliance with the requirements relating to the credit ratings of the Securities Lending Counterparty, then the Issuer, within 10 days thereof, will (i) terminate its Securities Lending Agreement or Securities Lending Agreements with such Securities Lending Counterparty; (ii) obtain a guarantee that meets the rating requirements of the definition of "Securities Lending Counterparty" for the Securities Lending Counterparty's obligations under the Securities Lending Agreement or Securities Lending Agreements; (iii) reduce the percentage of the Aggregate Principal Amount of the Collateral Portfolio loaned to such downgraded Securities Lending Counterparty so that the Securities Lending Agreement or Securities Lending Agreements to which such Securities Lending Counterparty is a party, together with all other Securities Lending Agreements, are in compliance with the requirements relating to the credit ratings of Securities Lending Counterparties; or (iv) take such other steps as each Rating Agency that has downgraded such Securities Lending Counterparty may require to satisfy each of the Moody's Rating Condition and the S&P Rating Condition.

The Issuer's exposure to a particular Securities Lending Counterparty will be subject to the limitations described in "Glossary of Defined Terms—Securities Lending Counterparty".

-71-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918305
Footnote Exhibits - Page 5085

Collection and Payment Accounts

Interest Proceeds shall be deposited into a segregated trust account held in the name of the Issuer for the benefit of the Secured Parties (the "Interest Collection Account") (which may be a subaccount of the Collection Account), provided that any such amounts which are Interest Proceeds of assets whose acquisition is attributed to funds raised from the issuance of the Subordinated Securities will be deposited in a segregated trust account designated as the "Subordinated Securities Interest Collection Account" (which may be a subaccount of the Subordinated Securities Collection Account). Amounts deposited in the Interest Collection Account and the Subordinated Securities Interest Collection Account will be available, together with reinvestment earnings thereon, for application to the payment of the amounts set forth under "Description of the Securities—Priority of Payments" and for the acquisition of Substitute Collateral Obligations under the circumstances and pursuant to the requirements described herein and in the Indenture.

On or about the first Business Day prior to each Payment Date, the Trustee will deposit into a separate account held in the name of the Issuer for the benefit of the Issuer for the benefit of the Issuer and designated as the "Payment Account" as set forth in the Indenture, all funds in the Interest Collection Account, the Subordinated Securities Interest Collection Account, the Principal Collection Account and the Subordinated Securities Principal Collection Account (other than amounts that the Issuer is entitled to retain in the Interest Collection Account, the Subordinated Securities Interest Collection Account, the Principal Collection Account or the Subordinated Securities Principal Collection Account for subsequent reinvestment in accordance with the Reinvestment Criteria, if the Issuer so elects as set forth in the Indenture) and any Reinvestment income required for payments to Holders of the Securities and payments of fees and expenses in accordance with the priorities described under "Description of the Securities—Priority of Payments".

On or before the first Payment Date the Collateral Manager may (in its sole discretion) instruct the Trustee in writing to transfer all or a portion of funds in the Interest Collection Account (representing proceeds of the issuance of the Class S Notes and deposited therein pursuant to the Indenture) to the Principal Collection Account for application as Principal Proceeds.

Amounts retained in the Interest Collection Account, the Subordinated Securities Interest Collection Account, the Principal Collection Account, the Subordinated Securities Principal Collection Account and the Revolving Credit Facility Reserve Account during a Due Period will be invested in Eligible Investments. All proceeds from the Eligible Investments will be retained in the Interest Collection Account, the Subordinated Securities Interest Collection Account, the Principal Collection Account or the Subordinated Securities Principal Collection Account, as applicable, unless used to purchase Substitute Collateral Obligations in accordance with the Reinvestment Criteria, or used as otherwise permitted under the Indenture, including to make any required deposit into the Revolving Credit Facility Reserve Account in connection with the purchase of a Revolving Credit Facility or Delayed Funding Term Loan. See "Description of the Securities—Priority of Payments."

Principal Collection Account

Principal Proceeds and proceeds from the issuance and sale of the Securities and any interest payments from any of the Hedge Agreements described above (see "Description of the Securities—Priority of Payments") shall be deposited into a segregated trust account designated as the "Principal Collection Account" (which may be a subaccount of the Collection Account) or the Subordinated Securities Principal Collection Account, as applicable, provided that any such amounts which are Principal Proceeds of assets whose acquisition is attributed to funds raised from the issuance of the Subordinated Securities will be deposited in a separate segregated trust account designated as the "Subordinated Securities Principal Collection Account" (which may be a subaccount of the Subordinated Securities Collection Account). Amounts deposited in the Principal Collection Account and the Subordinated Securities Principal Collection Account will be invested in Eligible Investments until such Principal Proceeds are reinvested in Collateral Obligations in accordance with the Reinvestment Criteria, deposited in the Revolving Credit Facility Reserve Account in connection with the purchase of a Revolving Credit Facility or Delayed Funding Term Loan or applied in accordance with the Priority of Payments. See "Description of the Securities—Priority of Payments."

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918306
Any unused proceeds from the offering will remain in the Principal Collection Account and the Subordinated Securities Principal Collection Account until the earlier of (a) the day on which such proceeds are used to purchase or fund Collateral Obligations and (b) the end of the Reinvestment Period; provided, that on the Effective Date, or long as the Minimum Par Value Ratio is satisfied, the Collateral Manager may, in its sole discretion, instruct the Trustee in writing to allocate up to $1,000,000 of Principal Proceeds and unused proceeds remaining in the Principal Collection Account and the Subordinated Securities Principal Collection Account for (i) transfer to the Interest Collection Account for application as Interest Proceeds in accordance with the Priority of Payments, (ii) application as Principal Proceeds in accordance with the Priority of Payments or (iii) transfer to the Discretionary Reserve Account for future transfer and/or application of such funds according to (i) or (ii) above as further described in "Discretionary Reserve Account" below, in such case on or before the Payment Date in February 2008. Any such unused proceeds remaining in the Principal Collection Account and the Subordinated Securities Principal Collection Account at the end of the Reinvestment Period (other than Reinvestment income (which shall be treated as interest Proceeds)) shall be applied as Principal Proceeds on the first Scheduled Payment Date following the end of the Reinvestment Period. On any Determination Date on which any of the Fair Value Tests are not satisfied or on any Determination Date on or after the Second Determination Date on which any of the Interest Coverage Tests are not satisfied, all such unused proceeds (other than Reinvestment income (which shall be treated as interest Proceeds)) shall be applied as Principal Proceeds in accordance with the Priority of Payments on the next succeeding Scheduled Payment Date. See "Description of the Securities—Priority of Payments".

From time to time after the Closing Date, at the written direction of the Collateral Manager, Principal Proceeds in an amount equal to the Future Drawdown Amount may be transferred from the Principal Collection Account to the Revolving Credit Facility Reserve Account.

Discretionary Reserve Account

If and to the extent that the Collateral Manager (in its sole discretion) instructs the Trustee in writing on the Effective Date to transfer amounts on deposit in the Principal Collection Account or the Subordinated Securities Principal Collection Account to a discretionary reserve account as set forth in "Discretionary Reserve Account" above, the Trustee shall establish a segregated trust account for such purpose (such account, the "Discretionary Reserve Account") into which the Trustee will deposit such amounts as the Collateral Manager so instructs. As directed by the Collateral Manager (in its sole discretion) in writing from time to time until the Payment Date in February 2008, the Trustee shall withdraw funds deposited in the Discretionary Reserve Account for transfer to the Interest Collection Account for application as Interest Proceeds or the Principal Collection Account for application as Principal Proceeds, all as set forth in "Discretionary Reserve Account" above. Amounts in the Discretionary Reserve Account will be invested in Eligible Investments in accordance with the written instructions of the Collateral Manager (which may be in the form of standing instructions). On the Payment Date in February 2008, the Trustee shall transfer any amount remaining in the Discretionary Reserve Account to the Interest Collection Account for application as Interest Proceeds or the Principal Collection Account for application as Principal Proceeds, as directed by the Collateral Manager in its sole discretion in writing, and close the Discretionary Reserve Account.

Expense Reserve Account

On the Closing Date, the Issuer will deposit the Expense Reserve Amount into the "Expense Reserve Account." At the written direction of the Collateral Manager (in its sole discretion) or the Issuer, the Trustee may at any time withdraw funds deposited in the Expense Reserve Account solely to pay for any fees or expenses incurred by or on behalf of the Issuer in connection with (i) the structuring and consummation of the offering and the issuance of the Securities or (ii) the Effective Date (i) or (ii) above, the "Reserved Expenses." Amounts in the Expense Reserve Account will be invested in Eligible Investments in accordance with the written instructions of the Collateral Manager (in its sole discretion) which may be in the form of standing instructions) and will, for the avoidance of doubt, not be included in the Collateral Quality Tests and the Coverage Tests. At the written direction of the Collateral Manager (in its sole discretion), the Trustee may at any time transfer amounts deposited in the Expense Reserve Account to the Principal Collection Account so long as the Collateral Manager has confirmed to the Trustee that there are sufficient funds remaining in the Expense Reserve Account after such transfer to pay...
for all accrued but unpaid Reserved Expenses. On the earlier of (i) the first Scheduled Payment Date and (ii) the Business Day that the Collateral Manager has confirmed to the Trustee that all Reserved Expenses have been paid by the Issuer, the Trustee shall transfer any amount remaining in the Expense Reserve Account to the Principal Collection Account and close the Expense Reserve Account. Any amounts transferred from the Expense Reserve Account to the Principal Collection Account will be treated as Principal Proceeds.

Revolving Credit Facility Reserve Account

Upon the purchase of any Collateral Obligation that is a Revolving Credit Facility or a Delayed Funding Term Loan, funds from the Principal Collection Account or the Subordinated Securities Principal Collection Account, as applicable (including any Revolving Credit Facility Net-Balance), will be deposited in the "Revolving Credit Facility Reserve Account" such that the amount of funds on deposit in the account will be equal to or greater than the Aggregate Underlying Undrawn Amount. After the initial purchase, all principal payments received on any Revolving Credit Facility will be deposited into the Revolving Credit Facility Reserve Account (and will not be available for distribution as Principal Proceeds) until the amount held in such account is equal to the Future Drawdown Amount; provided, however, that at the written direction of the Collateral Manager (in its sole discretion), amounts deposited in the Revolving Credit Facility Reserve Account may be transferred to the Principal Collection Account from time to time so long as, immediately after such transfer, the amount on deposit in the Revolving Credit Facility Reserve Account is greater than or equal to the Aggregate Underlying Undrawn Amount. If a loan consists of a combination of a Revolving Credit Facility and a term loan, only that portion of the loan that constitutes a Revolving Credit Facility will be treated as a Revolving Credit Facility. Amounts in the Revolving Credit Facility Reserve Account will be invested in Eligible Investments and will be included in the Coverage Tests as described above under "—The Collateral Quality Tests" and "—The Coverage Tests". For the avoidance of doubt, the Issuer shall not be deemed to have violated the restriction set forth in subclause (vii) of the definition of "Collateral Obligation" by satisfying the Issuer’s funding obligations under any Revolving Credit Facilities or Delayed Funding Term Loans.

Synthetic Security Collateral Account

If and to the extent that any Synthetic Security requires the Issuer to secure its obligations with respect to such Synthetic Security, the Issuer shall establish a segregated trust account for such Synthetic Security (such account, the "Synthetic Security Collateral Account") into which, as directed by the Collateral Manager (in its sole discretion), the Issuer will deposit all amounts which are required to secure the obligations of the Issuer in accordance with the terms of any and all Synthetic Securities entered into between the Issuer and the related Synthetic Security Counterparty.

As directed by the Collateral Manager (in its sole discretion) on behalf of the Issuer in writing, amounts on deposit in a Synthetic Security Collateral Account on behalf of a Synthetic Security Counterparty shall be invested in Eligible Investments which are permitted by the applicable Synthetic Securities and any related credit support documents. Income received on amounts on deposit in such Synthetic Security Collateral Account may, as directed by the Collateral Manager (in its sole discretion) on behalf of the Issuer in writing, either (x) be retained in such Synthetic Security Collateral Account if the Aggregate Principal Amount of all remaining Eligible Investments in such account is not in excess of the Aggregate Principal Amount of any and all outstanding Synthetic Securities entered into between the Issuer and such Synthetic Security Counterparty and such Synthetic Security so provides and may, if so provided, be used to pay amounts owing to such Synthetic Security Counterparty or (y) be withdrawn from such account and deposited in the Reserve Collection Account; or, if the amounts on deposit were, or are the proceeds of, Subordinated Securities Collateral Obligations, the Subordinated Securities Interest Collection Account for distribution as Interest Proceeds. Principal payments received on amounts on deposit in each Synthetic Security Collateral Account prior to the release of the Synthetic Security Collateral will, (i) if so required under the terms of the applicable Synthetic Security and any related credit support documents, be reinvested and (ii) only to the extent that Synthetic Security Collateral is in accordance with the terms of such Synthetic Security and any related credit support documents, or, (ii) if not so required, be withdrawn from such account and deposited in the Principal Collection Account (or, if the amounts on deposit were, or are, the proceeds of, Subordinated Securities Collateral Obligations, the Subordinated Securities Principal Collection Account) for distribution as Principal Proceeds. For the avoidance of doubt, any cash received from the liquidation of

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5088

Synthetic Security Collateral and not paid to the Synthetic Security Counterparty will be deposited into the Principal Collection Account or the Subordinated Securities Principal Collection Account, as the case may be, and be treated as: (i) a recovery on a Defaulted Obligation in the event that the Synthetic Security was terminated as a result of a credit event, an event of default or a termination event (each as defined in the applicable Synthetic Security); (ii) Unscheduled Principal Payments in the event that the Synthetic Security was subject to an agreed-upon termination prior to its scheduled termination; or (iii) Principal Proceeds in the event that the Synthetic Security was terminated at its scheduled maturity or at the sole discretion of the Collateral Manager on behalf of the Issuer. Such cash will be deposited in the Principal Collection Account.

Amounts contained in any Synthetic Security Collateral Account shall not be considered to be an asset of the Issuer for purposes of any of the Collateral Quality Tests or the Coverage Tests (each as provided in subclause (i) of the definition of "Coverage Test"), but the Synthetic Security which relates to such Synthetic Security Collateral Account shall be so considered an asset of the Issuer. If and to the extent that any Synthetic Securities or any related credit support documents so provide, upon the occurrence of a credit event or an event of default or a termination event (each as defined in the applicable Synthetic Security), amounts contained in the related Synthetic Security Collateral Account shall be liquidated and the proceeds thereof paid to the related Synthetic Security Counterparty, in such case, only to the extent necessary to satisfy the obligations of the Issuer to the related Synthetic Security Counterparty in accordance with the terms of such Synthetic Security. For the avoidance of doubt, the payment by the Issuer of the proceeds of any liquidation of Eligible Investments contained in the Synthetic Security Collateral Account to a Synthetic Security Counterparty to the extent necessary to satisfy the obligations of the Issuer to the related Synthetic Security Counterparty in accordance with the terms of such Synthetic Security, shall not be deemed to be a violation of the restriction set forth in subclause (e)(ii) of the definition of "Eligibility Criteria".

Securities Lending Account

Securities Lending Collateral pledged pursuant to a related Securities Lending Agreement shall be deposited into a segregated trust account or trust accounts (for Securities Lending Collateral that constitutes Financial Assets as defined in Section 8-113(a)(9) of the UCC) and a demand deposit account or demand deposit accounts (for Securities Lending Collateral that constitutes cash) so designated and established pursuant to a related Securities Lending Agreement (such account, the "Securities Lending Account").

Upon an event of default by any Securities Lending Counterparty under the related Securities Lending Agreement, the Issuer or the Trustee, as the case may be, as permitted in the Securities Lending Agreement and in consultation with the Collateral Manager, shall promptly exercise its remedies under the related Securities Lending Agreement, including liquidating, or causing the liquidation of, the related Securities Lending Collateral in accordance with written instructions from the Collateral Manager, in its sole discretion. Proceeds of any such liquidation shall be deposited in the Principal Collection Account and the Subordinated Securities Principal Collection Account, as applicable.

Margin Stock

The Collateral Portfolio may consist of securities that, at the time of purchase (or when a commitment to purchase is entered into), provide for conversion in the option of the holder of "new equity features attached". Debt securities that are convertible into Margin Stock may be also considered Margin Stock and securities with equity features may be considered Margin Stock. The Concentration Limitations limit the amount of such securities that can be purchased by the Issuer. (See "Summary—The Offering—Concentration Limitations". Accordingly, the ability of the Issuer to acquire any types of convertible securities and securities with equity features will be restricted by the limitations imposed on the Issuer's ability to acquire Margin Stock. For instance, only proceeds of Subordinated Securities Collateral Obligations and funds on deposit in the Subordinated Securities Interest Collection Account and the Subordinated Securities Principal Collection Account may be used to purchase Collateral Obligations that constitute Margin Stock.

Regulation U governs certain extensions of credit by Regulation U Lenders. Under current interpretations of Regulation U by the FRB and its staff, the purchase of debt securities such as the

Confidential Treatment Requested by Goldman Sachs GS MBS-E-0019183C09
Securities in a private placement may constitute an extension of credit. Among other things, Regulation U generally imposes certain limits on the amount of Purpose Credit that Regulation U Lenders may extend that is secured directly or indirectly by Margin Stock. The provisions of the indenture and the Collateral Management Agreement are intended to ensure that (i) the purchasers of the Subordinated Securities (which are not secured by Margin Stock) are not Regulation U Lenders and (ii) the credit extended by purchasing the Secured Notes (which is secured by the Collateral, which may include Margin Stock) is not Purpose Credit. Regulation U Lenders are not subject to the Regulation U credit limits with respect to extensions of credit that are not Purpose Credit.

Regulation U also generally requires Regulation U Lenders (other than Persons that are banks within the meaning of Regulation U) to register with the FRB. Under an interpretation of Regulation U by the FRB staff, Qualified Institutional Buyers purchasing debt securities secured by Margin Stock in a transaction in compliance with Rule 144A are not required to register with the FRB where the proceeds of the securities are not used for Purpose Credit. Non-U.S. Persons purchasing Secured Notes in reliance on Regulation S who do not have their principal place of business in a Federal Reserve District of the FRB are also not required to register with the FRB.

Any purchaser of Secured Notes who is not a bank (as defined in Regulation U) and is not required to register with the FRB will not be subject to any provisions of Regulation U. Any purchaser of the Secured Notes who is a bank or who is already registered with the FRB as a Regulation U lender generally must obtain from any person to whom they extend credit secured by Margin Stock a Federal Reserve Form U-1 (for bank lenders) or Form U-3 (for non-bank lenders). Purchasers of the Secured Notes may obtain a Form U-1 or U-3, as applicable, executed by the issuer or the Issuers, as applicable, from the issuer, for execution and retention by such purchaser on or prior to the Closing Date. Each purchaser of Secured Notes will be responsible for its own compliance with Regulation U, including the filing by the purchaser of any required registration or annual filings under Regulation U, and purchasers of Secured Notes should consult with their own legal advisors as to Regulation U and its application to them. Purchasers of Secured Notes not otherwise exempt from registering with the FRB will be deemed to have covenanted and agreed that if such purchaser is not registered with the FRB on or prior to the date of the purchaser’s purchase, such purchaser will, within the required time period, register with the FRB.

Under the Indenture, each purchaser of an Interest in a Regulation S Global Secured Note will be deemed to have represented that either (i) such purchaser’s principal place of business is not located within any Federal Reserve District of the United States Federal Reserve Bank or (ii) such purchaser has satisfied and will satisfy any applicable registration or other requirements of the FRB including, without limitation, Regulation U, in connection with its acquisition of the Secured Notes.

The accounts established by, and the maintenance of funds and securities under, the Indenture have been structured with the intent that the proceeds of the Secured Notes not be treated as constituting Purpose Credit; however, such result is not guaranteed.

**MATURITY AND PREPAYMENT CONSIDERATIONS**

The Stated Maturity of the Securities (other than the Class B Notes) is the Payment Date in February 2021 and, with respect to the Class B Notes, February 2014; however, the principal of the Secured Notes is expected to be paid in full prior to Stated Maturity. Average life refers to the average amount of time that will elapse from the date of delivery of a security until each Dollar of the principal of such security will be paid to the investor. The average lives of the Secured Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of sinking fund payments and any other payments received at or in advance of the scheduled maturity of Collateral Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Secured Notes will be affected by the financial condition of the issuers of the underlying Collateral Obligations and the characteristics of such securities, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Obligations. Substantially all of the Collateral Obligations are expected to be subject to sinking fund...
payments or optional redemption or prepayment by the issuer of such securities. In addition, if principal payments on the Secured Notes occur under the circumstances described under "Summary—The Offering—Principal Payments on the Secured Notes," the average life of the Secured Notes will also be affected.

Any disposition of a Collateral Obligation may change the composition and characteristics of the Collateral Obligations and the rate of payment therein, and, accordingly, may affect the average life of the Secured Notes. The rate of and timing of future defaults and the amount and timing of any cash realized from Defaulted Obligations also will affect the maturity and average lives of the Secured Notes. The ability of the Collateral Manager to reinvest any Principal Proceeds in the manner described under "Security for the Secured Notes—Sale of Collateral Obligations; Substitute Securities; Exchange of Defaulted Obligations and Reinvestment Criteria" and the decisions of the Collateral Manager regarding whether or not to reinvest such proceeds will also affect the average lives of the Secured Notes. For so long as any of the Securities are listed on the Irish Stock Exchange and the rules of such Exchange shall so require, notice of the Maturity of any Class of Securities shall be made in the Irish Stock Exchange's Official List.

THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the initial Purchaser or either of the Issuers. The Initial Purchaser and the Issuers assume no responsibility for the accuracy, completeness or applicability of such information.

Greywolf Capital Management LP

The Collateral Manager for Greywolf CLO I, Ltd. is Greywolf Capital Management LP (the "Collateral Manager").

Greywolf Capital Management LP is an SEC-registered investment adviser and currently manages over $2 billion in capital. Greywolf was founded in 2003 by a team of former employees of Goldman Sachs' fixed income trading division and now has 29 investment professionals with extensive experience in distressed, high yield and structured product investing.

Key Personnel

Jonathan Savitz, Partner: Mr. Savitz co-founded Greywolf in February 2003 and is the Firm's Chief Executive Officer and the Funds' Chief Investment Officer. Prior to co-founding Greywolf, Mr. Savitz worked at Goldman Sachs for over 15 years from which he retired as a Partner of the firm in 2002. From 1995 – 2002, Mr. Savitz led Goldman's global distressed trading, sales and research effort and was a primary decision maker and risk manager in Goldman's proprietary investing activities across the fixed income markets. From 1995 – 1998, Mr. Savitz managed the high yield trading desk and prior thereto held positions in distressed proprietary investing and corporate bond trading. Mr. Savitz joined Goldman in 1987 after graduating with a B.A. with honors, from The Johns Hopkins University.

James Gillespie, Partner: Mr. Gillespie is a co-founder of Greywolf and is a Portfolio Manager of the Special Situations Funds. Prior to founding Greywolf, Mr. Gillespie worked at Goldman Sachs for six years. Mr. Gillespie was Head of Distressed Bond Investing where he ran Goldman's proprietary distressed bond portfolio on the trading desk. Prior thereto, Mr. Gillespie was director of distressed bond research after having been a distressed analyst for Goldman's bank loan and bond desks. Mr. Gillespie has significant experience in analyzing, valuing and investing in distressed securities as well as managing a large portfolio of distressed investments. He also has experience actively participating in the workout process as both a committee member and large creditor. Prior to Goldman, Mr. Gillespie worked at Salomon Brothers in high yield capital markets. Mr. Gillespie received a Bachelor of Commerce degree, with honors, from the University of British Columbia in 1995 and is a Leslie Wong Fellow. Mr. Gillespie is a CFA charterholder.

Robert Miller, Partner: Mr. Miller is a co-founder of Greywolf and a Portfolio Manager for the Greywolf High Yield Funds. Prior to founding Greywolf, Mr. Miller worked at Goldman Sachs for 10 years and ran Goldman's high yield trading desks in New York and London from 1998 – 2000. After retiring from Goldman, Mr. Miller was retained by the firm for almost two years as a consultant on electronic bond trading platforms. Prior to heading the high yield trading desk, Mr. Miller was a high yield and corporate bond trader.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918311
Footnote Exhibits - Page 5091

for Goldman and prior thereto was a credit analyst for PNC Bank. During his career, Mr. Miller has traded and analyzed most major industry sectors and held proprietary positions in straight debt, common and preferred stock, futures, convertibles, trust preferred, and credit derivatives. Mr. Miller received a B.A. magna cum laude from Franklin and Marshall College in 1983 and an M.B.A., with honors, from UNC-Chapel Hill in 1989.

Gregory Mount, Partner. Mr. Mount joined Greywolf in September 2005 as a Partner and is responsible for structured product investments. Prior to joining Greywolf, Mr. Mount worked at Goldman Sachs for 9 years from which he retired as a Partner of the firm in 2005. Mr. Mount founded Goldman’s CDO business in 1998 and later held numerous senior positions in credit derivatives and structured products, including co-head of the Structured Products Group, which consisted of the CMBS, RMBS, ABS and CDO businesses and head of Portfolio Credit Derivatives which encompassed cash and synthetic CDOs. Mr. Mount also initiated Goldman’s proprietary CDO investment activity in 2003 and was the primary decision-maker for that portfolio at its inception. Mr. Mount received a B.S. in Electrical Engineering from M.I.T. in 1987, and an M.B.A., with high honors, from The University of Chicago Graduate School of Business in 1992.

David Samikoglu, Partner. Mr. Samikoglu is a co-founder of Greywolf and a Portfolio Manager of the Special Situations Funds. Prior to founding Greywolf, Mr. Samikoglu worked at Goldman Sachs for ten years where he was one of three portfolio managers in the Special Situations Investing Group, a Goldman Sachs’ proprietary internal hedge fund. Prior to assuming his portfolio management role in 2000, Mr. Samikoglu held numerous positions in distressed investing at Goldman including director of research in both the US and Europe. Mr. Samikoglu joined Goldman in 1992 as a corporate finance generalist before moving to the distressed investing business as a credit analyst in 1998 after returning from business school. Mr. Samikoglu has extensive experience investing in all layers of leveraged capital structures both on the long and short side and, at times, participating actively in steering and credit committees. Mr. Samikoglu received a B.A. cum laude from Hamilton College in 1992 and an M.B.A. from Harvard Business School in 1997.

William Troy, Partner. Mr. Troy is a co-founder of Greywolf and a Portfolio Manager of the High Yield Funds, as well as having responsibility for firmwide risk management. Prior to founding Greywolf, Mr. Troy was the key manager for JP Morgan’s High Yield business, which he joined following the merger of Smith Barney with Salomon Brothers. At JP Morgan, Mr. Troy was a member of the Senior Traders Committee, the Underwriting Committee, the Risk Committee and the Credit Committee. Prior to JP Morgan, Mr. Troy joined Smith Barney in 1996 as a Managing Director to co-head the High Yield business, overseeing sales, trading, research and syndicate. Prior to Smith Barney, Mr. Troy joined Goldman Sachs in 1988 as a senior corporate bond trader where he was responsible for risk taking activities with a further mandate to expand the business and develop new trading personnel. He was later asked to join the High Yield department in 1991 as the senior trader. Prior to Goldman Sachs, Mr. Troy joined Salomon Brothers in 1978 as a manager for the international business in cashflowing operations and subsequently as a trader on the corporate bond trading desk. Mr. Troy began his 37-year Wall Street career in 1969 at Dean Witter.

Jeff Fergus, Vice President. Mr. Fergus joined Greywolf in March 2005 as a Vice President in the High Yield Group. Mr. Fergus will be the co-portfolio manager of Greywolf CLO 1 with Bob Miller. Prior to joining Greywolf Capital, Mr. Fergus was a Vice President of Goldman Sachs working in the European Special Situations Group in London where he set up and acted as Chief Investment Officer of the ESSG’s Asian Special Situations Investment platform. From 2000 until 2003, he was based in Hong Kong as a senior member of Goldman Sachs’ Asia Special Situations Group and co-Head of the decision corporate business where he focused on investing in distressed loans and bonds in various countries of Southeast Asia, Korea and China, including portfolios of defaulted loans packaged by various government agencies and AMCs. Mr. Fergus joined Goldman Sachs in 1998 in New York as Head of Bank Loan Research. In this capacity, Mr. Fergus worked with Mr. Miller, Gillespie and Samikoglu who were research professionals in the same group. From 1993 until 1998, Mr. Fergus worked at ING Capital in New York in the proprietary investment group focusing on high yield and distressed investments. Prior to ING, Mr. Fergus worked at Prudential Capital and prior thereto for Continental Bank. Mr. Fergus received a B.A. in 1976 and an M.B.A. in 1986 from Indiana University.

-78-

Confidential Treatment Requested by Goldman Sachs

GS MIBS-E-001918312
THE COLLATERAL MANAGEMENT AGREEMENT

General

Certain advisory and administrative functions with respect to the Issuer and the Collateral will be performed by the Collateral Manager under the agreement to be entered into between the Issuer and the Collateral Manager (the "Collateral Management Agreement"). Pursuant to the terms of the Collateral Management Agreement, and in accordance with the requirements set forth in the Indenture, the Collateral Manager will perform certain collateral management functions, including directing the purchase and sale of Collateral and performing certain administrative functions on behalf of the Issuer. The Collateral Manager will be authorized to, among other things, (i) select the Collateral Obligations to be acquired and sold by the Issuer; (ii) maintain the portfolio of Collateral Obligations on an ongoing basis and advise the Issuer as to which Collateral Obligations to sell and which Collateral Obligations to acquire; (iii) instruct the Trustee with respect to any disposition or transfer of a Collateral Obligation or Eligible Investment or other Collateral by the Issuer; (iv) advise the Issuer with respect to Interest rate risk, cash flow timing and selecting and negotiating Hedge Agreements and (v) assist the Issuer in the preparation of reports, orders and other documents required pursuant to the Indenture.

The Collateral Manager shall use reasonable care in rendering its services under the Collateral Management Agreement, using a degree of skill and attention no less than that which the Collateral Manager exercises with respect to comparable assets that it manages for clients substantially similar in nature to the Issuer in accordance with its practices and procedures which the Collateral Manager reasonably believes to be consistent with those followed by institutional managers of national standing relating to assets of the nature and character of the Collateral Obligations. Neither the Collateral Manager nor its Affiliates will be liable to the Issuer, the Trustee, the holders of the Securities, or any other Person for any loss incurred as a result of the actions taken by or recommended by the Collateral Manager under the Collateral Management Agreement or the Indenture except for those reasonably incurred in good faith, in writing and with due diligence. The Collateral Manager shall not be liable for any act or omission constituting bad faith, negligence, gross negligence or reckless disregard, of its obligations hereunder. Subject to the above mentioned standard of liability, the Collateral Manager, its members, managers, directors, agents, employees and Affiliates will be entitled to indemnification by the Issuer for any losses or liabilities, including legal or other expenses, relating to the issuance of the Securities, the transactions contemplated by the Indenture or the performance of the Collateral Manager’s obligations under the Collateral Management Agreement, which will be payable as Administrative Expenses in accordance with the Priority of Payments

The Collateral Manager may assign its rights or responsibilities under the Collateral Management Agreement (even where such assignment would be deemed an "assignment" for purposes of Section 295(c)(2) of the Investment Advisors Act of 1940, as amended) by, (i) so long as any Securities rated by S&P are Outstanding, satisfying the S&P Rating Condition, (ii) so long as any Securities rated by Moody’s are Outstanding, satisfying the Moody’s Rating Condition; and (iii) obtaining the consent of the Issuer as directed by a Majority of the Controlling Class and a Majority of the Subordinated Securities. The Collateral Manager may delegate to an agent selected with reasonable care any or all of the duties (other than its asset selection or trade execution duties) assigned to the Collateral Manager under the Collateral Management Agreement, provided that no delegation by the Collateral Manager of any of its duties under the Collateral Management Agreement shall relieve the Collateral Manager of any of its duties under the Collateral Management Agreement nor relieve the Collateral Manager of any liability with respect to the performance of such duties. The Collateral Manager may resign upon 60 days prior written notice to the Issuer, the Trustee and each Rating Agency.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918313
Footnote Exhibits - Page 5093

Notwithstanding the preceding paragraph, the Collateral Manager will be permitted, with the consent of a Majority of the Subordinated Securities, to assign any or all of its rights and delegate any or all of its obligations to an Affiliate.

The Collateral Manager may be removed for cause by the Issuer, acting upon the direction of (a) 66-2/3% of the Controlling Class, or (b) 66-2/3% of the Subordinated Securities (excluding any Securities owned by the Collateral Manager or its Affiliates) upon 10 Business Days’ prior written notice. For purposes of the Collateral Management Agreement, “cause” will mean: (a) any willful violation in bad faith or willful breach in bad faith by the Collateral Manager of any provision of the Collateral Management Agreement or the Indenture applicable to it; (b) any violation by the Collateral Manager of any provision of the Collateral Management Agreement or the Indenture applicable to it (other than as covered by the preceding clause (a)); (c) if being understood that the failure of any Coverage Test or Collateral Quality Test, which is not caused by a breach described in clause (a) of this definition of “caused”, is not such a violation, the violation (1) has a material adverse effect on the Holders of any Class of Securities and (2) if capable of being cured, is not cured within 30 days of the Collateral Manager receiving notice from the Issuer or the Trustee of such violation (or such longer period as is reasonably required to correct any such breach, provided that the Collateral Manager promptly commences and diligently continues to effectuate a cure, but in any event within 90 days after receipt of written notice thereof; (c) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager, in or pursuant to the Collateral Management Agreement or the Indenture, to be correct in any material respect when made which failure could reasonably be expected to have a material adverse effect on the Holders of any Class of Securities and is not cured within 30 days of the Collateral Manager receiving notice of the occurrence of such breach; (d) certain events of bankruptcy, insolvency, conservatorship, or receivership in respect of the Collateral Manager; (e) the occurrence of any Event of Default that results from a breach by the Collateral Manager of its duties under the Indenture or the Collateral Management Agreement; and (f) the occurrence of an act by the Collateral Manager or its officers having direct responsibility over the Issuer’s investment activities that constitutes fraud or criminal activity in the performance of its obligations under the Collateral Management Agreement or its indictment for a criminal offense materially related to its business of providing asset management services.

The Collateral Management Agreement will be automatically terminated if it is determined in good faith that the Issuer or the Co-Issuer or the pool of Collateral has become required to register under the Investment Company Act, and the Issuer so notifies the Collateral Manager.

If the Collateral Manager is removed (but not yet replaced by a successor Collateral Manager) pursuant to one of the previous two paragraphs, the Collateral Manager shall give written notice thereof to the Issuer, the Trustee, and the holders of all Outstanding Securities promptly upon the Collateral Manager’s becoming aware of the occurrence of such event.

Notwithstanding anything to the contrary set forth above, no resignation or termination of the Collateral Manager shall become effective until each of the Moody’s Rating Condition and the S&P Rating Condition is satisfied with respect to a successor collateral manager selected by the Issuer with the approval of the Holders of a Majority of the Subordinated Securities; provided that the Holders of a Majority of each Class of Secured Notes do not object within 90 days after notice of such proposed action (excluding in the event of a removal for cause or with respect to the appointment of an Affiliate as successor, any Securities owned by the Collateral Manager or its Affiliates).

In the event of a resignation by or termination of the Collateral Manager, if no successor Collateral Manager has been appointed or an instrument of acceptance by a successor Collateral Manager has not been delivered to the Collateral Manager within 120 days after the date of notice of resignation by or termination of the Collateral Manager, the resigned or terminated Collateral Manager may petition any court of competent jurisdiction for the appointment of a successor Collateral Manager subject to the satisfaction of the Moody’s Rating Condition and the S&P Rating Condition but without the approval of the Issuer or Holders of the Securities.

There is no limitation or restriction on the Collateral Manager or any of its Affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918314
of the Collateral Manager and/or their Affiliates may give rise to additional conflicts of interest. The Collateral Manager and its Affiliates currently serve, and will continue to serve, as Collateral Manager for, invest in or be affiliated with, other entities organized to issue collateralized debt obligations secured by high yield loans and bonds.

One or more funds managed by the Collateral Manager will commit to purchase up to 100% of the initial notional amount of the Subordinated Securities. Thereafter, such funds may, from time to time, transfer or sell all or any part of such Subordinated Securities held thereby.

Compensation of the Collateral Manager

As compensation for the performance of its obligations as Collateral Manager under the Collateral Management Agreement, the Collateral Manager will be entitled to receive from the Issuer the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The "Senior Collateral Management Fee" is payable in arrears on each Payment Date (subject to availability of funds and to the Priority of Payments) in an amount equal to 0.15% per annum of the Aggregate Principal Amount of the Collateral Portfolio measured as of the beginning of the Due Period preceding such Payment Date. The Senior Collateral Management Fee will be payable before any interest payments or distributions of interest proceeds on the Securities and will be calculated on the basis of a calendar year consisting of 360 days and the actual number of days elapsed.

The "Subordinated Collateral Management Fee" is payable in arrears on each Payment Date (subject to availability of funds and to the Priority of Payments) in an amount equal to 0.50% per annum of the Aggregate Principal Amount of the Collateral Portfolio measured as of the beginning of the Due Period preceding such Payment Date. The Subordinated Collateral Management Fee will be payable before any payments of distributions on the Subordinated Securities and will be calculated on the basis of a calendar year consisting of 360 days and the actual number of days elapsed. In addition, on any Payment Date that any part of the Subordinated Collateral Management Fee is not paid, it shall be carried over, will accrue interest at a rate of LIBOR for the applicable period plus 3.00% per annum and will be payable to the Collateral Manager on future Payment Dates in accordance with the Priority of Payments.

On each Payment Date, in accordance with the Priority of Payments, the Collateral Manager will be eligible to receive an incentive collateral management fee with respect to each subclass of Subordinated Securities (each, an "Incentive Collateral Management Fee"). On any Payment Date, the Incentive Collateral Management Fee with respect to each subclass of Subordinated Securities will equal 20% of the amount of interest proceeds and Principal Proceeds remaining available for distribution to such subclass at the stage in the Priority of Payments at which the Incentive Collateral Management Fee may be paid. The Incentive Collateral Management Fee with respect to each Included Subclass will be payable on any Payment Date to the Collateral Manager in accordance with the Priority of Payments if the amount paid to such Included Subclass of Subordinated Securities has been sufficient for the holders of such included Subclass of Subordinated Securities to have received an annualized internal rate of return (calculated on the basis of a 360-day year consisting of twelve 30-day months) of at least 12.0% on a deemed invested amount of $1,000 per Subordinated Security (the "Specified Internal Rate of Return") for the period from the Closing Date to such Payment Date. The Incentive Collateral Management Fee with respect to each Excluded Subclass, if any, will be payable on any Payment Date to the Collateral Manager in accordance with the Priority of Payments even if the Holders of such Excluded Subclasses have not received an Internal Rate of Return of at least 12.0%.

The Incentive Collateral Management Fee, the Senior Collateral Management Fee, and the Subordinated Collateral Management Fees are collectively referred to herein as the "Collateral Management Fees."

One or more funds managed by Greywolf will commit to purchase up to 100% of the initial notional amount of the Subordinated Securities. For so long as Greywolf is the Collateral Manager and any funds managed by Greywolf continue to hold any Subordinated Securities, any Collateral Management Fees...
otherwise payable to the Collateral Manager hereunder shall be paid by the Issuer in the following order: (i) first, to such funds managed by Greywolf (on a pro rata basis among such funds), in an amount equal to the product of (x) such Collateral Management Fees and (y) a fraction the numerator of which is the notional amount of the Subordinated Securities held by such funds managed by Greywolf and the denominator of which is the aggregate notional amount of all of the Subordinated Securities and (ii) second, the remainder, if any, to Greywolf.

Any Subordinated Collateral Management Fees to which the Collateral Manager is entitled on any Payment Date that are not paid to the Collateral Manager, whether as a result of proceeds of the Collateral being insufficient therefore in accordance with the Priority of Payments or because the Collateral Manager, in its sole discretion, has instructed the Trustee that it wishes to defer payment of the fees until a subsequent Payment Date, will accrue interest at a rate of LIBOR for the applicable period plus 3.00%, and the fees, together with any interest accrued on them, will be payable on the next Payment Date specified by the Collateral Manager on which funds are available therefor in accordance with the Priority of Payments.

The Collateral Manager, in its sole discretion, may, from time to time, waive all or any portion of the Collateral Management Fees, and may defer all or any portion of the Collateral Management Fees. Any deferred Collateral Management Fees will become payable on the next Payment Date (and if not paid on such Payment Date, on one or more subsequent Payment Dates) in the same manner and priority as their original characterization would have required unless deferred again.

The Collateral Management Fees will be payable from Interest Proceeds, and, if Interest Proceeds are not sufficient, from Principal Proceeds, in accordance with the Priority of Payments. If on any Payment Date there are insufficient funds to pay the Senior Collateral Management Fee then due in full, the amount not so paid shall be deferred and shall be payable on the first succeeding Payment Date on which any funds are available therefore, as provided in the Indenture.

THE ISSUERS

General

The Issuer was incorporated on August 14, 2006 in the Cayman Islands under the Companies Law (2004 Revision) of the Cayman Islands with the registration number 172443. The registered office of the Issuer is at the offices of Maples Finance Limited, P.O. Box 1093 GT, Queenstown House, South Church Street, George Town, Grand Cayman, Cayman Islands. The telephone number of the registered office is (345) 945-7069. The Issuer was incorporated as a special purpose vehicle for the specific purpose of carrying out the transactions described in this Offering Circular, which primarily consists of purchasing the Collateral Obligations and any Eligible Investments that comprise the Collateral Portfolio, issuing the Securities and the Issuer Ordinary Shares and performing other activities related thereto. Prior to the date hereof, the Issuer has not engaged in any activities other than in connection with the acquisition of certain of the Collateral Obligations to be held on the Closing Date.

The Co-Issuer was incorporated on January 12, 2007, in the State of Delaware under the General Corporation Law of the State of Delaware with the registration number 4284047. The registered office of the Co-Issuer is at 850 Library Avenue, Suite 204, Newark, Delaware 19711. The telephone number of the registered office is (302) 738-6680. The Co-Issuer was incorporated as a special purpose vehicle for the specific purpose of carrying out the transactions described in this Offering Circular, which primarily consists of issuing the Co-Issued Notes and performing other activities related thereto, as set forth in Article Third of its Certificate of Incorporation. The Co-Issuer has no prior operating history.

The Co-Issued Notes are obligations only of the Issuer and the Class E Notes and the Subordinated Securities are obligations only of the Issuer, and not of the Trustee, the Collateral Manager, the Indenture Trustee, the Administrator or any directors or officers of the Issuers or any of their respective Affiliates.

At the Closing Date, the authorized share capital of the Issuer will consist of 50,000 ordinary shares, $1.00 par value per share (the "Issuer Ordinary Shares"), 250 of which shares have been issued. The
Footnote Exhibits - Page 5096

Authorized common stock of the Co-Issuer consists of 1,000 shares of common stock, $0.01 par value (the "Co-Issuer Common Stock"), all of which shares will be issued prior to the Closing Date. All of the outstanding Issuer Ordinary Shares and Co-Issuer Common Stock will be held by the Share Trustee under the terms of a declaration of trust. For as long as any of the Securities are Outstanding, no beneficial interest in the Issuer Ordinary Shares of the Co-Issuer Common Stock shall be registered to a U.S. Person.

Capitalization of the Issuer

The initial proposed capitalization of the Issuer as of the Closing Date after giving effect to the Issuance of the Securities and the Issuer Ordinary Shares (before deducting expenses of the Offering) is as set forth below.

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class E Notes</td>
</tr>
<tr>
<td>Class A Notes</td>
</tr>
<tr>
<td>Class B Notes</td>
</tr>
<tr>
<td>Class C Notes</td>
</tr>
<tr>
<td>Class D Notes</td>
</tr>
<tr>
<td>Class E Notes</td>
</tr>
<tr>
<td>Subordinated Securities</td>
</tr>
<tr>
<td>Total Debt</td>
</tr>
<tr>
<td>Issuer Ordinary Shares</td>
</tr>
<tr>
<td>Total Equity</td>
</tr>
<tr>
<td>Total Capitalization</td>
</tr>
</tbody>
</table>

Capitalization of the Co-Issuer

The Co-Issuer will be capitalized only to the extent of common equity of $15, will have no assets other than its equity capital and will have no debt other than as Co-Issuer of the Co-Issued Notes.

The Co-Issuer has agreed to co-issue the Co-Issued Notes as an accommodation to the Issuer, and the Co-Issuer is receiving no remuneration for so acting. Because the Co-Issuer has no assets and is not permitted to have any assets, Securityholders will not be able to exercise their rights with respect to the Co-Issued Notes against any assets of the Co-Issuer. Holders of the Co-Issued Notes must rely on the Collateral held by the Issuer and pledged to the Trustee for the benefit of the Holders of the Co-Issued Notes (and certain service providers) for payment on their respective Co-Issued Notes, in accordance with the Priority of Payments.

Business

The Issuer(s) will not undertake any substantial business other than the issuance of the Co-Issued Notes, entering and performing their respective obligations under certain transaction documents and, in the case of the Issuer, the Issuance of the Class E Notes, the Subordinated Securities and the Issuer Ordinary Shares, the acquisition and management of the Collateral and, in such case, other related transactions. Neither of the Issuer(s) will have any subsidiaries.

In addition, pursuant to the terms of the Collateral Administration Agreement, the Issuer will retain the Collateral Administrator to compile certain reports with respect to the Collateral Obligations. The compensation paid by the Issuer for such services will be in addition to the fees paid to the Collateral Manager and will be treated as an expense of the Issuer and will be subject to the Priority of Payments.

The Administrator will act as the administrator of the Issuer. The office of the Administrator will serve as the general business office of the Issuer. Through this office and pursuant to the terms of an agreement between the Administrator and the Issuer relating to the administration of the issuer in the Cayman Islands, and as amended from time to time in accordance with the terms thereof (the "Administration Agreement"),

-83-

Confidential Treatment Requested by Goldman Sachs
the Administrator will perform various administrative functions on behalf of the issuer, including communications with shareholders, and the provision of certain clerical, administrative and other services until the termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The directors of the Issuer listed below are also officers and/or employees of the Administrator.

The Administrator's activities will be subject to the overview of the Issuer's Board of Directors. The appointment of the Administrator under the Administration Agreement shall continue until the termination of such agreement in accordance with its terms, at which time a replacement administrator may be appointed. The Administration Agreement may be terminated by either the Issuer or the Administrator upon three months' written notice or, upon the occurrence of certain events as specified in the Administration Agreement, upon 14 days' written notice.

The Administrator's principal office is: P.O. Box 1093 GT, Queensgate House, South Church Street, Grand Cayman, Cayman Islands.

Directors

The Directors of the Issuer are Guy Major and Carrie Burton. The Directors may be contacted at the address of the Issuer or by telephone at (345) 945-7099.

The Director of the Co-Issuer is Donald Pugli. He may be contacted at the address of the Co-Issuer or by telephone at (302) 728-4660.

THE LOAN MARKET

A substantial portion, by principal amount, of the Collateral Obligations is expected to consist of corporate loans rated below investment grade extended to U.S. and other borrowers located in countries whose long-term debt rating with respect to Dollar-denominated obligations backed by the full faith and credit of the local equivalent thereof of such country or its central bank is at least “A+” by Moody's and “A” by S&P. Such loans are typically negotiated by one or more commercial banks or other financial institutions and syndicated among a group of commercial banks and financial institutions.

Corporate loans are typically at the most senior level of the capital structure, and are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the obligor and its subsidiaries. Some loans may be unsecured, subordinated to other obligations of the obligor and may have greater credit and liquidity risk than is typically associated with senior secured corporate loans. The corporate loans expected to secure the Secured Notes are of a type generally incurred by the borrowers thereunder in connection with a highly leveraged transaction, often to finance internal growth, acquisitions, mergers, stock purchases, or for other reasons. As a result of the additional debt incurred by the borrower in the course of the transactions, the borrower's creditworthiness is often judged by the rating agencies to be below investment grade. In order to induce the banks and institutional investors to invest in a borrower's loan facility, and to offer a favorable interest rate, the borrower often provides the banks and institutional investors with extensive information about its business, which is not generally available to the public. Because of the provision of confidential information, the unique and customized nature of a loan agreement, and the private syndication of the loan, loans are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to the high yield bond market.

Corporate loans often provide for restrictive covenants designed to limit the activities of the borrower in an effort to protect the right of lenders to receive timely payments of interest and repayment of principal of the loan. Such covenants may include restrictions on dividends payments, specific minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) in a loan which is not waived by the lending syndicate normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. Loans usually have

Confidential Treatment Requested by Goldman Sachs

GS MSS-E-001915318
Footnote Exhibits - Page 5098

shorter terms than more junior obligations and may require mandatory prepayments from excess cash flow, asset disposals and offerings of debt and/or equity securities.

A majority of loans bear interest based on a floating rate index, e.g., LIBOR, the certificate of deposit rate, a prime or base rate (each as defined in the applicable loan agreement) or other index, which may reset daily (as most prime or base rate indices do) or offer the borrower a choice of one, two, three, six, nine or twelve month interest and rate reset periods. The purchaser of a loan may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a loan, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

Purchasers of loans are predominantly investment and commercial banks, who have applied their experience in high yield securities to the commercial and industrial loan market, acting as both principal and broker. The range of investors for loans has broadened to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and portfolio managers of trusts or special purpose companies issuing collateralized bond and loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardized documentation to facilitate loan trading, which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity that currently exists in the market.

INCOME TAX CONSIDERATIONS

General

The following summary describes the principal U.S. federal income tax and Cayman Islands tax consequences of the purchase, ownership and disposition of the Securities to investors that acquire the Securities at original issuance and, in the case of the Secured Notes, for an amount equal to the Issue Price of the relevant Class of Secured Notes for purposes of this section, with respect to each Class of Secured Notes, the first price at which a substantial amount of Secured Notes of such Class are sold to the public (excluding bond houses, brokers, underwriters, placement agents, and wholesalers) is referred to herein as the "Issue Price". This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular investor's decision to purchase the Securities. In addition, this summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the U.S. federal income tax laws and Cayman Islands tax laws. In general, the summary assumes that a beneficial owner of a Security holds the Security as a capital asset and not as part of a hedge, straddle or conversion transaction, within the meaning of Section 1225 of the U.S. Internal Revenue Code of 1986, as amended (the "Code").

The advice below was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. The advice is written to support the promotion or marketing of the transaction. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The foregoing disclaimer is provided to satisfy obligations under Circular 230 governing standards of practice before the Internal Revenue Service.

This summary is based on the U.S. and Cayman Islands tax laws, regulations (final, temporary and proposed), administrative rulings and practice and judicial decisions in effect or available on the date of this Offering Circular. All of the foregoing are subject to change or differing interpretation at any time, which change or interpretation may apply retroactively and could affect the continued validity of this summary.

This summary is included herein for general information only, and there can be no assurance that the U.S. Internal Revenue Service (the "IRS") will take a similar view of the U.S. federal income tax consequences of an investment in the Securities as described herein. ACCORDNGLY, PROSPECTIVE

85

Confidential Treatment Requested by Goldman Sachs

As used in this section, the term "U.S. Holder" includes a beneficial owner of a Security that is, for U.S. federal income tax purposes, a citizen or individual resident of the United States of America, an entity treated for United States federal income tax purposes as a corporation or a partnership created or organized in or under the laws of the United States of America or any state thereof or the District of Columbia, an estate the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source, or a trust, in general, a court within the United States of America is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of such trust and certain eligible trusts that have elected to be treated as U.S. persons. This summary also does not address the rules applicable to certain types of investors that are subject to special U.S. federal income tax rules which are not discussed herein, including but not limited to, dealers in securities or currencies, traders in securities, financial institutions, U.S. expatriates, tax-exempt entities (except with respect to specific issues discussed herein), charitable remainder trusts and their beneficiaries, persons whose functional currency is not the Dollar, insurance companies, persons that own (directly or indirectly) equity interests in beneficial owners of Securities and subsequent purchasers of the Securities.

For U.S. federal income tax purposes, the Issuer, and the Co-Issuer, will be treated as the Issuer of the Securities.

Tax Treatment of the Issuer

United States Federal Income Tax Consequences. The Code and the U.S. Department of Treasury regulations promulgated thereunder ("Treasury Regulations") provide a specific exemption from net income-based U.S. federal income tax to non-U.S. corporations that restrict their activities in the United States to trading in stocks and securities (and any other activity closely related thereto) for their own accounts, whether such trading (or such other activity) is conducted by the corporation or its employees or through a resident broker, commission agent, custodian or other agent. This particular exemption does not apply to non-U.S. corporations that are engaged in activities in the United States other than trading in stocks and securities (and any other activity closely related thereto) for their own accounts or that are dealers in stocks and securities.

The Issuer intends to rely on the above exemption and does not intend to operate so as to be subject to U.S. federal income taxes on its net income. In this regard, on the Closing Date, the Issuer will receive an opinion from Mckee Nelson LLP, special U.S. tax counsel to the Issuer ("Special U.S. Tax Counsel") to the effect that, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury Regulation, administrative ruling or judicial decision, under current law and assuming compliance with the Issuer's Amended and Restated Memorandum and Articles of Association of Issuer, the Indenture, the Collateral Management Agreement, and other related documents (the "Documents") by all parties thereto, the Issuer's permitted activities will not cause it to be engaged in a trade or business in the United States under the Code and, consequently, the Issuer will not be subject to U.S. federal income tax on its net income (as the branch profits tax described below). The opinion of Special U.S. Tax Counsel will be based on the Code, the Treasury Regulations (final, temporary and proposed) thereunder, the existing authorities, and Special U.S. Tax Counsel's interpretation thereof and judgment concerning their application to the Issuer's permitted activities, and on certain factual assumptions and representations as to the Issuer's permitted activities. The Issuer intends to conduct its affairs in accordance with the Documents and such assumptions and representations, and the remainder of this summary assumes such result. In addition, in complying with the Documents and such assumptions and representations, the Issuer and the Collateral Manager are entitled to rely upon the advice and/or opinions of their selected counsel, and the opinion of Special U.S. Tax Counsel will assume that any such advice and/or opinions are correct and complete. However, the opinion of Special U.S. Tax Counsel and any such other advice or opinions are not binding on the IRS or the Courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer is not entirely free from doubt, and there can be no assurance that...
positions contrary to those stated in the opinion of Special U.S. Tax Counsel or any such other advice or opinions may not be asserted successfully by the IRS.

If, notwithstanding the Issuer's intention and the aforementioned opinion of Special U.S. Tax Counsel or any such other advice or opinions, it were nonetheless determined that the Issuer were engaged in a trade or business in the United States (as defined in the Code), and the Issuer had taxable income that was effectively connected with such U.S. trade or business, the Issuer would be subject to the regular U.S. corporate income tax on such effectively connected taxable income and possibly to the 30% branch profits tax as well. The imposition of such taxes would materially affect the Issuer's financial ability to make payments with respect to the Securities and could materially affect the yield of the Secured Notes and the return on the Subordinated Securities.

Legislation recently proposed in the U.S. Senate would, for tax years beginning at least two years after its enactment, tax a corporation as a U.S. corporation (if the equity of that corporation is regularly traded on an established securities market and the management and control of the corporation occurs primarily within the United States). It is unknown whether this proposal will be enacted in its current form and, whether if enacted, the Issuer would be subject to its provisions. However, upon enactment of this or similar legislation, the Issuer will be permitted, with an opinion of counsel, to take such action as it deems advisable to prevent the Issuer from being subject to such legislation. These actions could include removing some classes of Securities from listing on the Irish Stock Exchange.

With respect to Cayman Islands taxation, see the discussion below in "Cayman Islands Tax Considerations".

United States Withholding Taxes. Although, based on the foregoing, the Issuer is not expected to be subject to U.S. federal income tax on a net income basis, income derived by the Issuer may be subject to withholding taxes imposed by the United States or other countries. Generally, U.S. source interest income received by a foreign corporation not engaged in a trade or business within the United States is subject to U.S. withholding tax at the rate of 30% of the amount thereof. The Code provides an exemption (the "portfolio interest exemption") from such withholding tax for interest paid with respect to certain debt obligations issued after July 18, 1984, unless the interest constitutes a certain type of contingent interest or is paid to a 10% shareholder of the payor, to a controlled foreign corporation related to the payor, or to a bank with respect to a loan entered into in the ordinary course of its business. In this regard, the Issuer is permitted to acquire a particular Collateral Obligation only if the payments thereon are exempt from U.S. withholding taxes at the time of purchase or commitment to purchase (with the exception of commitment fees associated with Collateral Obligations constituting Revolving Credit Facilities or Delayed Funding Term Loans) or the obligor is required to make "gross-up" payments that offset fully any such tax on any such payments. Any commitment fees associated with Collateral Obligations constituting Revolving Credit Facilities or Delayed Funding Term Loans and any interest fees received under a Securities Lending Agreement may be subject to U.S. withholding tax, which would reduce the Issuer's net income from such activities. However, the Issuer does not anticipate that it will otherwise derive material amounts of any other items of income that would be subject to U.S. withholding taxes. Accordingly, assuming compliance with the foregoing restrictions and subject to the foregoing qualifications, income derived by the Issuer will be free of or fully "grossed up" for any material amount of U.S. withholding tax. It is possible that, as a result of a workout of a defaulted Collateral Debt Obligation, the Issuer could receive an asset subject to withholding. However, there can be no assurance that income derived by the Issuer will not generally become subject to U.S. withholding tax as a result of a change in U.S. tax law or administrative practice, procedure, or interpretations thereof. See "Risk Factors—Changes in Tax Law No Cross-Up". Any change in U.S. tax law or administrative practice, procedure, or interpretations thereof resulting in the income of the Issuer becoming subject to U.S. withholding taxes could constitute a Withholding Tax Event. See "Description of the Securities—Optional Redemption". It is also anticipated that the Issuer will acquire Collateral Obligations that consist of obligations of non-U.S. issuers. In this regard, the Issuer may only acquire a particular Collateral Obligation if either the payments thereon are not subject to foreign withholding tax (with the exception of commitment fees associated with Collateral Obligations constituting Revolving Credit Facilities and Delayed Funding Term Loans) or the obligor of the Collateral Obligation is required to make "gross-up" payments.

-87-

Confidential Treatment Requested by Goldman Sachs  QS MBS-E-001918321
Footnote Exhibits - Page 5101

Prospective investors should be aware that, under certain Treasury Regulations, the IRS may disregard the participation of an intermediary in a "conduit" financing arrangement and the conclusions reached in the immediately preceding paragraph assume that Affected Banks will not, as a result of holding Subordinated Securities, influence the selection of Collateral Obligations and that such Treasury Regulations do not apply. Those Treasury Regulations could require withholding of U.S. federal income tax from payments to the issuer of interest on the Collateral Obligations. In order to prevent "conduit" classification, each holder and beneficial owner of a Class E Note or Subordinated Security that (i) is not a "United States person" (as defined in Section 7701(a)(30) of the Code) and (ii) is acquiring, directly or in conjunction with affiliates, more than 33 1/3% of the Aggregate Outstanding Amount of any such Class of Securities will be deemed to make a representation to the effect that it is not an Affected Bank. "Affected Bank" means a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that neither (x) meets the definition of a U.S. Holder nor (y) is entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0%.

Tax Treatment of U.S. Holders of the Secured Notes

Status of the Secured Notes. On the Closing Date, the Issuer will receive an opinion from Special U.S. Tax Counsel to the effect that the Co-Issued Notes will be, and the Class E Notes should be, treated as debt for U.S. federal income tax purposes when issued, and this summary assumes such treatment. Further, the Issuer and each U.S. Holder and beneficial owner of a Secured Note, by acquiring such Secured Note or any interest in such Secured Note, will agree to treat such Secured Note as debt for U.S. federal income tax purposes, except (a) as otherwise required by applicable law, (b) to the extent a Noteholder makes a protective QEF election (as described below under "-"-Ivan Invest in a Passive Foreign Investment Company"), or (c) to the extent that the holder files certain United States tax information returns required of only certain equity owners with respect to various reporting requirements under the Code (as described below under "-"-Certain Reporting Requirements" and "-"-Tax Return Disclosure and Investor List Requirements"). The determination of whether a Secured Note will be treated as debt for United States federal income tax purposes is based on the applicable law and facts and circumstances existing at the time the Secured Note is issued. However, the opinion of Special U.S. Tax Counsel is based on current law and certain representations and assumptions and is not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Secured Notes. Accordingly, there can be no assurance that the IRS will not contend, and that a court will not ultimately hold, that one or more Classes of the Secured Notes are properly treated as equity in the Issuer for U.S. federal income tax purposes. Recharacterization of a Class of Secured Notes, particularly the Class E Notes because of their place in the capital structure, may be more likely if a single investor or a group of investors that holds all of the Subordinated Securities also holds all of the more senior Class of Secured Notes in the same proportion as the Subordinated Securities are held. If a Class of the Secured Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, U.S. Holders of Secured Notes of such Class would be subject to taxation under rules substantially the same as those set forth below under "-"-Tax Treatment of U.S. Holders of Subordinated Securities" which could cause adverse tax consequences for such U.S. Holders upon the sale, exchange, redemption, retirement or other taxable disposition of, or the receipt of certain types of distributions on, such Secured Notes.

Interest or Discount on the Secured Notes. Subject to the discussion below, U.S. Holders of each Class of Secured Notes generally will include in gross income payments of stated interest received on such Class of Secured Notes, in accordance with their usual method of accounting for U.S. federal income tax purposes as ordinary interest income from sources outside the United States.

If the Issue Price of a Class of Secured Notes is less than the "stated redemption price at maturity" of such Class of Secured Notes by more than a de minimis amount, U.S. Holders of Secured Notes of such Class will be considered to have purchased such Secured Notes with original issue discount ("OID"). The stated redemption price at maturity of a Class of Secured Notes will be the sum of all payments to be received on Secured Notes of such Class, other than payments of "qualified stated interest" (i.e., generally, stated interest which is unconditionally payable in money at least annually during the entire term of a debt instrument; interest is unconditionally payable only if reasonable legal remedies exist to compel timely

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918322
Footnote Exhibits - Page 5102

payment or the debt instrument otherwise provides terms and conditions that make the likelihood of late payment or nonpayment a remote contingency. Prospective U.S. Holders of the Class C Notes, the Class D Notes or the Class E Notes should note that, because interest on these Secured Notes can be deferred, the Issuer intends to treat interest on these Classes as not unconditionally payable in money on each Payment Date (and, therefore, not "qualified stated interest"), and as a result exclude all of the stated interest payments on these Secured Notes in the stated redemption prices at maturity of these Secured Notes, and must therefore be accrued by U.S. Holders pursuant to the OID rules described below. Such OID inclusion on such Secured Notes generally will be treated as income from sources outside the United States.

A U.S. Holder of such Class of Secured Notes issued with OID will be required to accrue and include in gross income the sum of the "daily portion" of interest OID on such Secured Notes for each day during the taxable year on which the U.S. Holder held such Secured Notes, generally under a constant yield method, regardless of such U.S. Holders' usual method of accounting for U.S. federal income tax purposes. If a Secured Note is issued with only a de minimis amount of OID, such discount is not subject to accrual under the OID rules and should be included in gross income proportionately as stated principal payments are received. Such de minimis OID should be treated as gain from the sale or exchange of property and may be eligible to be treated as a capital gain if the Secured Note is a capital asset in the hands of the U.S. Holder.

In the case of such Class of Secured Notes that provides for a floating rate of interest, the amount of OID to be accrued over the term of such Secured Notes will be based initially on the assumption that the floating rate in effect for the first accrual period of such Secured Notes will remain constant throughout their term. To the extent such rate varies with respect to any accrual period, such variation will be reflected in an increase or decrease of the amount of OID accrued for such period. Under the foregoing method, U.S. Holders of the Class C Notes, the Class D Notes or the Class E Notes may be required to include in gross income increasingly greater amounts of OID and may be required to include OID in advance of the receipt of cash attributable to such income.

The Issuer intends to treat each Class of Secured Notes issued with more than de minimis OID as being subject to the rules prescribed by Section 1272(a)(4) of the Code using an assumption as to the prepayments on such Class of Secured Notes, as discussed below under "— OID on the Secured Notes." A prepayment assumption applies to debt instruments if payments under such debt instruments may be accelerated by reason of prepayments of other obligations securing such debt instruments.

OID on the Secured Notes. The following discussion will apply to a Class of Secured Notes if it is issued with more than de minimis OID. Because principal repayments on such Secured Notes are subject to acceleration, the method by which OID on such Secured Notes is required to be accrued is uncertain. For purposes of accruing OID on these Secured Notes under such circumstances, the Issuer intends to treat these Secured Notes as being subject to the "prepayment assumption method." These rules require that the amount and rate of accretion of OID be calculated based on a prepayment assumption and the anticipated reinvestment rate, if any, relating to the Secured Notes and prescribe a method for adjusting the amount and rate of accrual of the discount where the actual prepayment rate differs from the prepayment assumption. Under the Code, the prepayment assumption must be determined in the manner prescribed by the Treasury Regulations, which have not yet been issued. The legislative history provides, however, that Congress intended the Treasury Regulations to require that the prepayment assumption be the prepayment assumption that is used in determining the initial offering price of the Secured Notes. Solely for purposes of determining OID, market discount and bond premium, the Issuer intends to assume that the Collateral Obligations will either not prepay or any prepayments will be reinvested. No representation is made that the Secured Notes will prepay at the prepayment assumption or at any other rate.

It is possible the IRS could contend that another method of accruing OID with respect to these Secured Notes is appropriate and, if successful, could apply rules that may result in adverse or more favorable U.S. federal income tax consequences to a U.S. Holder of such Secured Notes. One such alternative method of accruing OID may be the noncontingent bond method that governs contingent payment debt obligations. Such method could affect the amount and character of the gain or loss recognized upon a disposition of a Secured Note.

-59-

Confidential Treatment Requested by Goldman Sachs

GS MIB: E-001918323
Footnote Exhibits - Page 5103

A purchaser of a Secured note issued with OID who purchases such Secured note at a price other than the adjusted Issue Price but at a cost less than the remaining stated redemption price at maturity will also be required to include in gross income the sum of the daily portions of OID on such Secured note, in computing the daily portions of OID for a purchaser of a Secured Note that purchases at a price higher than the adjusted issue price, but less than the stated redemption price at maturity, however, the daily portion is reduced by the amount that would be the daily portion for the day (computed in accordance with the rules set forth above) multiplied by a fraction, the numerator of which is the amount, if any, by which the price paid by the U.S. holder for such Secured note exceeds the following amounts:

- The sum of the Issue Price plus the aggregate amount of OID that would have been includable in the gross income of an original U.S. Holder (who purchased the Secured Note at the Issue Price), less
- Any prior payments included in the stated redemption price at maturity.

and the denominator of which is the sum of the daily portions for such Secured Note for all days beginning on the date after the purchase date and ending on the maturity date computed under the prepayment assumption.

As a result of the complexity of the OID rules, each U.S. Holder of Secured Notes should consult its own tax advisor regarding the impact of the OID rules on its investment in such Secured Notes.

Premium. A U.S. Holder who pays a premium (an amount in excess of the Secured Notes' stated redemption price at maturity) for a Secured Note may elect to amortize such premium under a constant yield method over the life of such Secured Note. The amortizable amount for any accrual period would offset the amount of OID that must be included in the gross income of a U.S. Holder in such accrual period. The U.S. Holder's basis in such Secured Note would be reduced by the amount of amortization. It is not clear whether the prepayment assumption would be taken into account in determining the life of such Secured Note for this purpose.

Market Discount. If a U.S. Holder acquires a Secured Note at a discount to the adjusted issue price of the Secured Note that is greater than a statistically defined minimum amount, each discount is treated as market discount. Absent an election to accrue into income currently, the amount of accrued market discount on a Secured Note is included in income as ordinary income when principal payments are received or the U.S. Holder disposes of the Secured Note. Market discount is included ratably unless a U.S. Holder elects to use a constant yield method for accrual. For this purpose, the term "ratably" may be based on the term of the Secured Note, or a U.S. Holder may be permitted to accrue market discount in proportion to interest on Secured Notes issued without OID or in proportion to OID on Secured Notes issued with OID.

Election to Treat All Interest as OID. The OID rules permit a U.S. Holder of a Secured Note to elect to accrue all interest, discount (including de minimis market or original issue discount) and premium in income as interest, based on a constant yield method. If an election to treat all interest as OID were to be made with respect to a Secured Note with market discount, the U.S. Holder of such Secured Note would be deemed to have made an election to include in income currently market discount with respect to all other debt instruments having market discount that such U.S. Holder acquires during the year of the election or thereafter. Similarly, a U.S. Holder that makes this election for a Secured Note that is acquired at a premium will be deemed to have made an election to amortize bond premium with respect to all debt instruments having amortizable bond premium that such U.S. Holder owns or acquires. The election to accrue interest, discount and premium on a constant yield method with respect to a Secured Note cannot be revoked without the consent of the IRS.

Disposition of the Secured Notes. In general, a U.S. Holder of a Secured Note initially will have a basis in such Secured Note equal to the cost of such Secured Note to such U.S. Holder, (i) increased by any amount includable in income by such U.S. Holder as OID (or accrued market discount such U.S. Holder previously included in income) with respect to such Secured Note, and (ii) reduced by amortized premium and by any payments on such Secured Note, other than payments of qualified stated interest on such Secured Note. Upon a sale, exchange, redemption, retirement or other taxable disposition of a Secured Note, the holder of such Secured Note shall provide all necessary information to the buyer of such Secured Note, including the amount of OID included in income and the amount of OID remaining to be includible.
Note, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the disposition (other than amounts attributable to accrued qualified stated interest on such Secured Note, which will be taxable as described above) and the U.S. Holder’s tax basis in such Secured Note. Except to the extent of accrued interest or market discount not previously included in income, gain or loss from the disposition of a Secured Note generally will be long-term capital gain or loss if the U.S. Holder held the Secured Note for more than one year at the time of disposition, provided that such Secured Note is held as a “capital asset” (generally, properly held for investment) within the meaning of Section 1221 of the Code.

In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Gain recognized by a U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of a Secured Note generally will be treated as from sources within the United States and will be recognized generally will offset income from sources in the United States.

Alternative Characterization of the Secured Notes. Notwithstanding special U.S. tax counsel’s opinion, U.S. Holders should recognize that there is some uncertainty regarding the appropriate classification of instruments such as the Secured Notes. It is possible, for example, that the IRS may contend that a Class of Secured Notes should be treated as equity interests (or as part debt, part equity) in the Issuer. Such a recharacterization might result in material adverse U.S. federal income tax consequences to U.S. Holders. If U.S. Holders of a Class of the Secured Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to U.S. Holders of such recharacterized Secured Notes would be as described under “—Tax Treatment of U.S. Holders of Subordinated Notes,” “—Certain Reporting Requirements” and “—Tax Return Disclosure and Investor List Requirements.” In order to avoid the application of the PFIC rules, each U.S. Holder of a Note should consider making a qualified electing fund election provided in Section 1295 of the Code on a “protective” basis (although such protective election may not be respected by the IRS because current regulations do not specifically authorize that particular election). See “—Investment in a Passive Foreign Investment Company. Further, U.S. Holders of any Class of Secured Notes that may be recharacterized as equity in the Issuer should consult with their own tax advisors with respect to whether, if they owned equity in the Issuer, they would be required to file information returns in accordance with sections 6038, 6038A, and 6049 of the Code (and, if so, whether they should do so on a protective basis).

Tax Treatment of U.S. Holders of Subordinated Securities

Although not denominated as equity, based on the capital structure of the Issuer and the terms of the Subordinated Securities, it is likely the Subordinated Securities will be treated as equity for U.S. federal income tax purposes. The following discussion is based on the Subordinated Securities being treated as equity of the Issuer.

Investment in a Passive Foreign Investment Company. The Issuer will constitute a “passive foreign investment company” (PFIC). Accordingly, U.S. Holders of Subordinated Securities (other than certain U.S. Holders that are subject to the rules pertaining to a “controlled foreign corporation,” described below) will be considered U.S. shareholders in a PFIC and will be required to file annual information returns on IRS Form 8821 with their U.S. federal income tax returns. In general, a U.S. Holder of a PFIC may desire to make an election to treat the Issuer as a “qualified electing fund” (QEF) with respect to such U.S. Holder. Generally, a QEF election should be made with the filing of IRS Form 8821 with a U.S. Holder’s federal income tax return for the first taxable year for which it held Subordinated Securities. If a timely QEF election is made for the Issuer, an election by a U.S. Holder generally will be required in each taxable year to include in gross income (i) ordinary income, such holder’s pro rata share of the Issuer’s ordinary earnings and (ii) net capital gain, such holder’s pro rata share of the Issuer’s net capital gain, whether or not distributed. A U.S. Holder will not be eligible for the preferential income tax rate on “qualified dividend income” (as defined in the Code) or the dividends received deduction with respect to any such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to such U.S. Holder and may not be carried back or forward in computing the Issuer’s ordinary earnings and net capital gain in other taxable years.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918325
1034

Footnote Exhibits - Page 5105

years. An amount included in an electing U.S. Holder's gross income should be treated as income from sources outside the United States for U.S. foreign tax credit limitation purposes. However, if U.S. Holders collectively own (directly or constructively) 50% or more (measured by vote or value) of the Subordinated Securities, such amount will be treated as income from sources within the United States for such purposes to the extent that such amount is attributable to income of the Issuer from sources within the United States. If applicable to a U.S. Holder of Subordinated Securities, the rules pertaining to a "controlled foreign corporation", discussed below, generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. shareholders may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income subject to an interest charge on the deferred amount. In this respect, prospective purchasers of Subordinated Securities should be aware that it is possible that the Collateral Obligations may be purchased by the Issuer with substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time, and the Issuer may use interest and other income from the Collateral Obligations to purchase additional Collateral Obligations or to retire Securities. As a result, the Issuer may have in any given year substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Securities. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

In addition, it should be noted that if the Issuer invests in obligations that are not in registered form, a U.S. Holder making a QEF election (a) may not be permitted to take a deduction for any loss attributable to such obligations when calculating its share of the Issuer's earnings and (b) may be required to treat income attributable to such obligations as ordinary income even though the income would otherwise constitute capital gains. It is possible that some portion of the investments of the Issuer will constitute obligations that are not in registered form.

The Issuer will provide, upon request, all information and documentation that a U.S. Holder making a QEF election is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Subordinated Securities (other than certain U.S. Holders that are subject to the rules pertaining to a "controlled foreign corporation", described below) that does not make a timely QEF election will be required to report any gain on disposition (including gain recognized upon a redemption) of any Subordinated Securities as if it were an excess distribution, other than capital gain, and to compute the tax liability on such gain and any excess distribution received with respect to the Subordinated Securities as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Subordinated Securities. The U.S. Holder will be subject to tax on such items at the highest ordinary income tax rate for each taxable year, other than the current year of the U.S. Holder, in which the item is treated as having been earned, regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for an additional tax equal to interest on the tax liability attributable to income allocated to prior years if such liability had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of the Subordinated Securities as security for a loan may be treated as a taxable disposition of such Subordinated Securities. Very generally, an "excess distribution" in the amount by which distributions during a taxable year exceed 125 percent of the average amount of distributions in respect thereof over the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Subordinated Security). In addition, a stepped-up basis in the Subordinated Securities upon the death of an individual U.S. Holder may not be available.

In many cases, application of the tax on gain on disposition and receipt of excess distributions will be substantially more onerous than the treatment applicable if a timely QEF election is made. ACCORDINGLY, U.S. HOLDERS OF SUBORDINATED SECURITIES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF ELECTION WITH RESPECT TO THE SUBORDINATED SECURITIES AND THE CONSEQUENCES OF NOT MAKING SUCH AN ELECTION.

Investment in a Controlled Foreign Corporation. The Issuer may be classified as a controlled foreign corporation ("CFC"). In general, a foreign corporation will be classified as a CFC if more than 50% of the

Confidential Treatment Requested by Goldman Sachs

OS MSS-E-001918326
shares of the corporation, measured by reference to combined voting power or value, is owned (actually or constructively) by "U.S. Shareholders." A U.S. Shareholder, for this purpose, is any person that possesses (actually or constructively) 10% or more of the combined voting power (generally, the right to vote for directors of the corporation) of all classes of shares of a corporation. Although the Subordinated Securities do not vote for directors of the issuer, it is possible that the IRS would assert that the Subordinated Securities are de facto voting securities and that U.S. Holders possessing (actually or constructively) 10% or more of the total combined voting power of all classes of stock entitled to vote (including the Subordinated Securities) are U.S. Shareholders. If this argument were successful and more than 50% of the Subordinated Securities (determined with respect to aggregate value or combined voting power) are owned (actually or constructively) by such U.S. Shareholders, the issuer would be treated as a CFC.

If the issuer were treated as a CFC, a U.S. Shareholder of the issuer would be treated, subject to certain exceptions, as receiving a deemed dividend at the end of the taxable year of the issuer in an amount equal to that person's pro rata share of the "subpart F income" of the issuer (which may include any subpart F income of the issuer during the warehousing of the Collateral Obligations). Such deemed dividend would be treated as income from sources within the United States for U.S. foreign tax credit limitation purposes to the extent that it is attributable to sources of the issuer from sources within the United States. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale or exchange of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the issuer were to constitute a CFC, all or most of its income would be subpart F income and, in general, if the issuer's subpart F income exceeds 70% of its gross income for a taxable year, the entire amount of the issuer's income for such taxable year will be treated as subpart F income.

If the issuer were treated as a CFC, a U.S. Shareholder of the issuer which made a QEF election with respect to the issuer would be taxable on the subpart F income of the issuer under rules described in the preceding paragraph and not under the QEF rules previously described. As a result, to the extent subpart F income of the issuer includes net capital gains, such gains will be treated as ordinary income of the U.S. Shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules.

Furthermore, if the issuer were treated as a CFC and a U.S. Holder were treated as a U.S. Shareholder (or a U.S. Holder of Subordinated Securities), the issuer would not be treated as a PFIC or a QEF with respect to such U.S. Holder for the period during which the issuer remained a CFC and such U.S. Holder remained a U.S. Shareholder (or a U.S. Holder of Subordinated Securities). If the qualified portion of such U.S. holder's holding period for the Subordinated Securities subsequently ceased (either because the issuer ceased to be a CFC or the U.S. Holder ceased to be a U.S. Shareholder), then solely for purposes of the PFIC rules, such U.S. Holder's holding period for the Subordinated Securities would be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder had owned any Subordinated Securities for any period of time prior to such qualified portion and had not made a QEF election with respect to the issuer. In that case, the issuer would again be treated as a PFIC which is not a QEF with respect to such U.S. Holder and the beginning of such U.S. Holder's holding period for the Subordinated Securities would continue to be the date upon which such U.S. Holder acquired the Subordinated Securities, unless the U.S. Holder made an election to recognize gain with respect to the Subordinated Securities and a QEF election with respect to the issuer.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Obligation or an Equity Security issued by a non-U.S. corporation that is treated as equity for U.S. federal income tax purposes, U.S. Holders of Subordinated Securities could be treated as owning an indirect equity interest in a PFIC or a CFC (and could be subject to certain adverse tax consequences).

In particular, if the Issuer owns equity interests in PFICs ("Lower-Tier PFICs"), a U.S. Holder of Subordinated Securities would be treated as owning directly the U.S. Holder's proportionate amount (by value) of the Issuer's equity interests in the Lower-Tier PFICs. A U.S. Holder's QEF election with respect to the Issuer would not be effective with respect to such Lower-Tier PFICs. However, a U.S. Holder could be able to make QEF elections with respect to such Lower-Tier PFICs if the Lower-Tier PFICs provide certain

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918327
information and documentation to the issuer in accordance with applicable Treasury Regulations. However, there can be no assurance that the issuer would be able to obtain such information and documentation from any Lower-Tier PFIC, and thus there can be no assurance that a U.S. Holder would be able to make or maintain a QEF election with respect to any Lower-Tier PFIC. If a U.S. Holder does not have a QEF election in effect with respect to a Lower-Tier PFIC, as a general matter, the U.S. Holder would be subject to the adverse consequences described above under "Investment in a Passive Foreign Investment Company" with respect to any excess distributions made by such Lower-Tier PFIC to the issuer, any gain on the disposition by the issuer of its equity interest in such Lower-Tier PFIC treated as indirectly realized by such U.S. Holder, and any gain treated as indirectly realized by such U.S. Holder on the disposition of its equity in the issuer (which may arise even if the U.S. Holder realizes a loss on such disposition). Such amount would not be reduced by expenses or losses of the issuer, but any income recognized may increase a U.S. Holder's tax basis in its Subordinated Securities. Moreover, if the U.S. Holder has a QEF election in effect with respect to a Lower-Tier PFIC, the U.S. Holder would be required to include in income the U.S. Holder's pro rata share of the Lower-Tier PFIC's ordinary earnings and net capital gain as if the U.S. Holder's indirect equity interest in the Lower-Tier PFIC were directly owned, and it appears that the U.S. Holder would not be permitted to use any losses or other expenses of the issuer to offset such ordinary earnings and/or net capital gains, but recognition of such income may increase a U.S. Holder's tax basis in its Subordinated Securities.

Accordingly, if any of the Collateral Obligations or Equity Securities are treated as equity interests in a PFIC, such U.S. Holders could experience significant amounts of phantom income with respect to such interests. Other adverse tax consequences may arise for such U.S. Holders that are treated as owning indirect interests in CFCs. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Distributions on Subordinated Securities. The treatment of actual distributions of cash on the Subordinated Securities, in very general terms, will vary depending upon whether a U.S. Holder has made a timely QEF election as described above. See "Investment in a Passive Foreign Investment Company." If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to U.S. Holders. Distributions in excess of amounts previously taxed pursuant to a QEF election (or pursuant to the CFC rules, if applicable) will be treated as dividends (but not eligible for the reduced tax rate applicable to "qualified dividend income") and taxable to U.S. Holders as ordinary income upon receipt to the extent of any remaining amounts of unrealized current and accumulated earnings and profits of the issuer. Distributions in excess of any current and accumulated earnings and profits will be treated first as a non-taxable reduction to the U.S. Holders' tax basis for the Subordinated Securities to the extent thereof and then as capital gain.

In the event that a U.S. Holder does not make a timely QEF election, then except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Subordinated Securities may constitute "excess distributions," taxable as previously described. See "Investment in a Passive Foreign Investment Company." In that event, except to the extent that distributions may be attributable to amounts previously taxed to the U.S. Holder pursuant to the CFC rules or are treated as "excess distributions" on the Subordinated Securities generally would be treated as dividends to the extent paid out of the issuer's current or accumulated earnings and profits not allocated to any "excess distributions," distributions on the Subordinated Securities generally would be treated as dividends to the extent paid out of the issuer's current or accumulated earnings and profits not allocated to any "excess distributions," therefore would be taxable to individuals, trusts and estates as ordinary income rather than at the 15% net capital gain rate. Dividends received from a foreign corporation generally will be treated as income from sources outside the United States for U.S. foreign tax credit limitation purposes. However, if U.S. Holders collectively own (directly or constructively) 50% or more (measured by voting or value) of the Subordinated Securities, a percentage of the dividend income equal to the proportion of the Issuer's earnings and profits from sources within the United States generally will be treated as income from sources within the United States for such purposes.

Disposition of the Subordinated Securities. In general, a U.S. Holder of a Subordinated Security will recognize gain or loss upon the sale, exchange, redemption, retirement or other taxable disposition of a

Confidential Treatment Requested by Goldman Sachs
Subordinated Security equal to the difference between the amount realized and such U.S. Holder's adjusted tax basis in the Subordinated Security. Except as discussed below, such gain or loss will be long-term capital gain or loss if the U.S. Holder held the Subordinated Security for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited. Gain recognized by a U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of a Subordinated Security (other than, in the case of a U.S. Holder treated as a "U.S. Shareholder", any such gain characterized as a dividend, as discussed below) generally will be treated as from sources within the United States and lost so recognized generally will offset income from sources within the United States.

Initially, a U.S. Holder's tax basis for a Subordinated Security will equal the amount paid for the Subordinated Security. Such basis will be increased by amounts taxable to such U.S. Holder by virtue of a QEF election, or by virtue of the CFC rules, as applicable, and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable reduction to the U.S. Holder's tax basis for the Subordinated Security (as described above).

If a U.S. Holder does not make a timely QEF election as described above, any gain realized on the sale, exchange, redemption, retirement or other taxable disposition of a Subordinated Security (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "Investment in a Passive Foreign Investment Company".

Except for a limited exception applicable to individuals, if the Issuer were treated as a CFC and a U.S. Holder were treated as a "U.S. Shareholder" therein, then any gain realized by such U.S. Holder upon the disposition of Subordinated Securities, other than gain constituting an excess distribution under the PFIC rules, if applicable, would be treated as a dividend to the extent of the U.S. Holder’s share of the current or accumulated earnings and profits of the Issuer. In this regard, earnings and profits would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules.

Certain Reporting Requirements

A U.S. Holder of Subordinated Securities that owns (actually or constructively) at least 10% by vote or value of the Issuer (and each officer or director of the Issuer that is a U.S. citizen or resident) may be required to file an information return on IRS Form 5471. A U.S. Holder of Subordinated Securities generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50% by vote or value of the Issuer. U.S. Holders should consult their own tax advisors regarding whether they are required to file IRS Form 5471.

A U.S. person (including a tax-exempt entity) that purchases the Subordinated Securities for cash will be required to file an IRS Form 926 or similar form with the IRS if (a) such person is directly or indirectly owned or controlled by a foreign person, or (b) the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 months period, exceeds $100,000. In the event a U.S. Holder fails to file any such required form, the U.S. Holder could be required to pay a penalty equal to 10% of the gross amount paid for such Subordinated Securities (subject to a maximum penalty of $100,000, except in cases involving intentional disregard). U.S. persons should consult their tax advisors with respect to this or any other reporting requirement which may apply with respect to their acquisition of the Subordinated Securities.

Tax Treatment of Tax-Exempt U.S. Holders of Securities

U.S. Holders which are tax-exempt entities ("Tax-Exempt U.S. Holders") will not be subject to the tax on unrelated business taxable income ("UBIT") with respect to interest and capital gains income derived from an investment in the Co-Issued Notes or the Class E Notes (assuming that the Class E Notes are treated as debt of the Issuer). However, a Tax-Exempt U.S. Holder that also acquires the Subordinated Securities (or, if recharacterized as equity in the Issuer, the Class E Notes) should consider whether interest...
Footnote Exhibits - Page 5109

It receives with respect to the Securities may be treated as UBTI under rules governing certain payments received from controlled entities.

A Tax-Exempt U.S. Holder generally will not be subject to the tax on UBTI with respect to regular distributions or "excess distributions" (as defined above under "-Tax Treatment of U.S. Holders of Subordinated Securities-Investment in a Passive Foreign Investment Company") on the Subordinated Securities. A Tax-Exempt U.S. Holder which is not subject to tax on UBTI with respect to "excess distributions" may not make a QEF election. In addition, a Tax-Exempt U.S. Holder which is subject to the rules relating to "controlled foreign corporations" with respect to the Subordinated Securities (or, if recharacterized as equity in the Issuer, the Class E Notes) generally should not be subject to the tax on UBTI with respect to income from such Subordinated Securities (or the Class E Notes).

Notwithstanding the discussion in the preceding two paragraphs, a Tax-Exempt U.S. Holder which incurs "acquisition indebtedness" (as defined in Section 514(c) of the Code) with respect to the Securities may be subject to the tax on UBTI with respect to income from the Securities to the extent that the Securities constitute "debt-financed property" (as defined in Section 514(b) of the Code) of the Tax-Exempt U.S. Holder. A Tax-Exempt U.S. Holder subject to the tax on UBTI with respect to income from the Subordinated Securities (or, if recharacterized as equity in the Issuer, the Class E Notes) will be taxed on "excess distributions" in the manner discussed above under "-Tax Treatment of U.S. Holders of Subordinated Securities-Investment in a Passive Foreign Investment Company". Such a Tax-Exempt U.S. Holder will be permitted, and should consider whether, to make a QEF election with respect to the Issuer as discussed above.

Tax-Exempt U.S. Holders should consult their own tax advisors regarding an investment in the Securities.

Tax Return Disclosure and Investor List Requirements

Any person that files a U.S. federal income tax return or U.S. federal information return and participates in a "reportable transaction" in a taxable year is required to disclose certain information on IRS Form 8886 (or its successor form) attached to such person's U.S. tax return for such taxable year (and also file a copy of such form with the IRS's Office of Tax Shelter Analysis) and to retain certain documents related to the transaction. In addition, under certain circumstances, certain organizations and fiduciary and other advisors with respect to a "reportable transaction" will be required to file reports with the IRS and maintain lists of participants in the transaction containing identifying information, retain certain documents related to the transaction, and furnish these lists and documents to the IRS upon request. The definition of "reportable transaction" is highly technical. However, in very general terms, a transaction may be a "reportable transaction" if, among other things, it is entered into by a U.S. person and the U.S. tax liability of the person or entity in question arises in whole or in part from the transaction.

In this regard, in order to prevent the transferee's purchase of Securities in this offering from being treated as a "reportable transaction" under conditions of confidentiality, the Collateral Manager, the Issuer and the holders and beneficial owners of the Securities (and each of their respective employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the transactions described herein and all materials of any kind (including opinions or other tax analyses) that are provided to them relating to such U.S. tax treatment and U.S. tax structure. For this purpose, the U.S. tax treatment of a transaction is the purpose or claimed U.S. tax treatment of the transaction under applicable U.S. federal, state or local tax law, and the U.S. tax structure of a transaction is any fact that may be relevant to understanding the purpose or claimed U.S. tax treatment of the transaction under applicable U.S. federal, state or local tax law.

If the Issuer participates in a "reportable transaction", a U.S. Holder of Subordinated Securities that is a "reporting shareholder" of the Issuer will be treated as participating in the transaction and will be subject to the rules described above. Although most of the Issuer's activities generally are not expected to give rise to "reportable transactions", the Issuer nevertheless may participate in certain types of transactions that

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001016330
Footnote Exhibits - Page 5110

could be treated as "reportable transactions". A U.S. Holder of Subordinated Securities will be treated as a "reporting shareholder" of the Issuer if (i) such U.S. Holder owns 10% or more of the Subordinated Securities and makes a QEP election with respect to the Issuer or (ii) the Issuer is treated as a CFC and such U.S. Holder is a "U.S. Shareholder" (as defined above) of the Issuer. The Issuer will make reasonable efforts to make such information available.

Prospective investors in the Securities should consult their own tax advisors concerning any possible disclosure obligations under these Treasury Regulations with respect to their ownership or disposition of the Securities in light of their particular circumstances.

Tax Treatment of Non-U.S. Holders of Securities

In general, payments on the Securities to a Holder that is not, for U.S. federal income tax purposes, a U.S. Holder (a "Non-U.S. Holder") and gain realized on the sale, exchange, redemption, retirement or other disposition of the Securities by a Non-U.S. Holder, will not be subject to U.S. federal income or withholding tax, unless (a) such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or (b) in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the Securities as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale, exchange, redemption, retirement or other disposition of the Securities and certain other conditions are satisfied.

Information Reporting and Backup Withholding

Under certain circumstances, the Code requires "information reporting," and may require "backup withholding," with respect to certain payments made on the Securities and the payment of the proceeds from the disposition of the Securities. Backup withholding generally will not apply to corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. Backup withholding will apply to a U.S. Holder if the U.S. Holder fails to provide certain identifying information (such as the U.S. Holder's taxpayer identification number) or otherwise comply with the applicable requirements of the backup withholding rules. The application for exemption from backup withholding for a U.S. Holder is available by providing a properly completed IRS Form W-9.

A Non-U.S. Holder of the Securities generally will not be subject to these information reporting requirements or backup withholding with respect to payments of interest or dividends on the Securities if (a) it certifies to the Trustee its status as a Non-U.S. Holder under penalties of perjury on the appropriate IRS Form W-8, and (b) in the case of a Non-U.S. Holder that is a "nonwithholding foreign partnership," "foreign single member limited liability company," or "foreign grantor trust" as defined in the applicable U.S. Treasury Regulations under the Code, the beneficial owners of such Non-U.S. Holder also certify their status as Non-U.S. Holders under penalties of perjury on the appropriate IRS Form W-8.

The payments of the proceeds from the disposition of a Security by a Non-U.S. Holder to or through the U.S. office of a broker generally will not be subject to information reporting and backup withholding if the Non-U.S. Holder certifies its status as a Non-U.S. Holder (and, if applicable, its beneficial owners also certify their status as Non-U.S. Holders) under penalties of perjury on the appropriate IRS Form W-8, satisfies certain documentary evidence requirements for establishing that it is a Non-U.S. Holder, or otherwise establishes an exemption. The payment of the proceeds from the disposition of a Security by a Non-U.S. Holder to or through a non-U.S. office of a non-U.S. broker will not be subject to backup withholding or information reporting unless the non-U.S. broker has certain specific types of relationships to the United States, in which case the treatment of such payment for such purposes will be as described in the following sentence. The payment of proceeds from the disposition of a Security by a Non-U.S. Holder to or through a non-U.S. office of a U.S. broker or to or through a non-U.S. broker with certain specific types of relationships to the United States generally will not be subject to backup withholding but will be subject to information reporting unless the Non-U.S. Holder certifies its status as a Non-U.S. Holder (and, if applicable, its beneficial owners also certify their status as Non-U.S. Holders) under penalties of perjury or the broker has certain documentary evidence in its files as to the Non-U.S. Holder's foreign status and the broker has no actual knowledge to the contrary.

-97-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918331
Footnote Exhibits - Page 511

Backup withholding is not an additional tax and may be credited against the U.S. Holder’s or Non-U.S. Holder’s U.S. federal income tax liability, and then refunded to the extent of any excess thereof; provided that certain required information is furnished to the IRS. The information reporting requirements may apply regardless of whether withholding is required.

Cayman Islands Tax Considerations

The following discussion of certain Cayman Islands income tax consequences of an investment in the Securities is based on the advice of Maples and Calder as to Cayman Islands law. The discussion is a general summary of present law, which is subject to prospective and retrospective change. It assumes that the issuer will conduct its affairs in accordance with assumptions made by, and representations made to, counsel. It is not intended as tax advice, does not consider any investor’s particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

The following is a general summary of Cayman Islands taxation in relation to the Securities.

Under existing Cayman Islands laws:

(i) Payments of principal and interest in respect of, or distributions on, the Securities will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any Holder of a Seconded Note and gains derived from the sale of Securities will not be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax; and

(ii) certificates evidencing the Securities, in registered form, to which title is not transferable by delivery, will not attract Cayman Islands stamp duty. However, an instrument transferring title to a Security, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

The issuer has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has applied for and expects to obtain an undertaking from the Governor in Cabinet of the Cayman Islands substantially in the following form:

"THE TAX CONCESSIONS LAW
(1999 REVISION)
UNDERTAKING AS TO TAX CONCESSIONS

In accordance with Section 6 of the Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with:

Graywolf CLO I, Ltd. ("the Company")

(a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

(i) on or in respect of the shares, debentures or other obligations of the Company; or

(ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(5) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of TWENTY years from the 28th day of August 2009.

GOVERNOR IN CABINET

-98-

Confidential Treatment Requested by Goldman Sachs

OS MBS-E-001918332
The Cayman Islands does not have an income tax treaty arrangement with the United States or any other country. The Cayman Islands has entered into an information exchange agreement with the United States.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN TAX IMPLICATIONS OF AN INVESTMENT IN THE SECURITIES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS PRIOR TO INVESTING TO DETERMINE THE TAX IMPLICATIONS OF SUCH INVESTMENT IN LIGHT OF EACH SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

ERISA CONSIDERATIONS

The advice below was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. The advice is written to support the promotion or marketing of the transaction. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The foregoing disclaimer is provided to satisfy obligations under Circular 230 governing standards of practice before the Internal Revenue Service.

The United States Employee Retirement Income Security Act of 1974, as amended ("ERISA") imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of, and that are subject to Title I of ERISA), including entities such as collective investment funds and insurance company separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed above under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Securities.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts together with ERISA Plans, "Plans") and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships with such Plans to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

Governmental plans, certain church plans and non-U.S. plans, while not subject to the fiduciary responsibility provisions of ERISA, or the provisions of Section 4975 of the Code, may nevertheless be subject to state, local or other federal and non-U.S. laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Securities.

The U.S. Department of Labor has promulgated regulations, 29 C.F.R. Section 2510.3-101 (the "Plan Asset Regulations") describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA and Section 4975 of the Code, including the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulations, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying...
assets, unless it is established that the entity is an "operating company" or, as further discussed below, that equity participation in the entity by "benefit plan investors" is not "significant".

Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if Securities are acquired with the assets of a Plan with respect to which the Issuer, the Co-Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, any seller of Collateral Obligations to the Issuer and the Co-Issuer or any of their respective Affiliates, is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire a Security and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("PTCE") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 80-1 (relating to investments by insurance company pooled separate accounts), PTCE 85-60 (relating to investments by insurance company general accounts), and PTCE 69-63 (relating to transactions effected by in-house asset manager) ("Transaction-Based Exemptions"). There is also a statutory exemption that may be available under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code to a party in interest that is a service provider to a Plan investing in the Securities for adequate consideration, provided such service provider is not (i) the fiduciary with respect to the Plan's assets used to acquire the Securities or an affiliate of such fiduciary or (ii) an affiliate of the employer sponsoring the Plan (the "Service Provider Exemption"). Adequate consideration means fair market as determined in good faith by the Plan fiduciary pursuant to regulations to be promulgated by the U.S. Department of Labor. There can be no assurance that any of these investor-based Exemptions or the Service Provider Exemption or any other administrative or statutory exemption will be available with respect to any particular transaction involving the ERISA Offered Securities.

Any insurance company proposing to invest assets of its general account in Securities should consider the extent to which such investment would be subject to the requirements of Title I of ERISA and Section 4975 of the Code, in light of the U.S. Supreme Court's decision in John Hancock Mutual Life Insurance Co. v. Irons Trust and Savings Bank, 510 U.S. 86 (1993), and the enactment of Section 401(p) of ERISA on August 20, 1996. In particular, such an insurance company should consider (i) the exemption granted by the U.S. Department of Labor for transactions involving insurance company general accounts in PTCE 55-63 and (ii) if such exemption is not available, whether its purchase of Securities will be permissible under the final regulations issued under Section 401(p) of ERISA. The final regulations provide guidance on which assets held by an insurance company constitute "plan assets" for purposes of the fiduciary responsibility provisions of ERISA and Section 4975 of the Code. The regulations do not exempt the assets of insurance company general accounts from treatment as "plan assets" to the extent they support certain participating annuities issued to Plans after December 31, 1996.

The Co-Issued Notes

The Plan Asset Regulations define an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. As noted above in Income Tax Considerations, it is the opinion of tax counsel to the Issuer and the Co-Issuer that the Co-Issued Notes will be treated as debt for U.S. income tax purposes. Although there is little guidance on the subject, at the time of their issuance, the Co-Issued Notes should be treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulations. This determination is based in part upon (i) tax counsel's opinion that the Co-Issued Notes will be classified as debt for U.S. federal income tax purposes when issued and (ii) the traditional debt features of the Co-Issued Notes, including the reasonable expectation of purchasers of the Co-Issued Notes that they will be repaid when due, as well as the absence of conversion rights, warrants and other typical equity features. Based upon their expected subject to the foregoing and other considerations, and subject to the considerations described below, the Co-Issued Notes may be purchased by a Plan. Nevertheless, without regard to whether the Co-Issued Notes are considered equity interests, prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if the Co-Issued Notes are acquired with the assets of an ERISA Plan with respect to which the Issuer, the Co-Issuer, the Initial Purchaser or the Trustee or, in certain circumstances, any of their respective Affiliates, is a party in interest or a disqualified person. The investor-
Footnote Exhibits - Page 5114

Based Exemptions or the Service Provider Exemption may be available to cover such prohibited transactions.

By its purchase of any Co-Issued Notes, each purchaser and subsequent transferee thereof will be deemed to have represented and warranted, at the time of its acquisition and throughout the period it holds such Co-Issued Note, either that (a) it is neither a Plan nor any entity whose underlying assets include "plan assets" (within the meaning of the Plan Asset Regulations) by reason of such Plan's investment in the entity, nor a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and disposition of a Co-Issued Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any substantially similar law).

The Subordinated Securities and the Class E Notes

Equity participation in an Issuer of Securities by "benefit plan investors" is "significant" and will cause the assets of the Issuer to be deemed the assets of an investing Plan (in the absence of another applicable Plan Asset Regulations exception) if 25% or more of the value of any class of equity interest in the Issuer is held by "benefit plan investors". Recently, the Pension Protection Act of 2006 effectively amended, by statute, the definition of "benefit plan investors" in the Plan Asset Regulations. Employee benefit plans that are not subject to Title I of ERISA and plans that are not subject to Section 4975 of the Code, such as U.S. governmental and most U.S. church plans or non-U.S. plans, are no longer considered "benefit plan investors". Accordingly, only employee benefit plans subject to Title I of ERISA or Section 4975 of the Code or an entity whose underlying assets include plan assets by reason of such plan's investment in the entity are considered in determining whether investment by "benefit plan investors" represents 25% or more of any class of equity of the Issuer. Hence, the term "benefit plan investor" includes (a) an employer benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (b) a plan as defined in Section 4975(b)(1) of the Code that is subject to Section 4975 of the Code, (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plans' investment in the entity or (d) a person, as such term is otherwise defined in any regulations promulgated by the U.S. Department of Labor under Section 3(42) of ERISA (collectively, "Benefit Plan Investors"). For purposes of making the 25% determination, the value of any equity interests held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Issuer or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such person (each, a "Controlling Person"), is disregarded. Under the Plan Asset Regulations, an "affiliate" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "controlling" with respect to a person other than an individual, means the power to exercise a controlling influence over the management or policies of such person. The Subordinated Securities and the Class E Notes are considered equity investments for the purposes of applying Title I of ERISA and Section 4975 of the Code. Accordingly, purchases of (i) Subordinated Securities by Benefit Plan Investors from the Initial Purchaser or the Issuer and any subsequent purchase or transfer of such Subordinated Securities will be limited to less than 25% of the value of each of all Outstanding Subordinated Securities by requiring each such purchaser to make certain representations and/or to agree to certain transfer restrictions regarding their status as Benefit Plan Investors or Controlling Persons and (ii) the Class E Notes by Benefit Plan Investors will not be permitted. Subordinated Securities and the Class E Notes are considered equity investments for the purposes of applying Title I of ERISA and Section 4975 of the Code. Accordingly, purchases of (i) Subordinated Securities by Benefit Plan Investors from the Initial Purchaser or the Issuer and any subsequent purchase or transfer of such Subordinated Securities will be limited to less than 25% of the value of each of all Outstanding Subordinated Securities by requiring each such purchaser to make certain representations and/or to agree to certain transfer restrictions regarding their status as Benefit Plan Investors or Controlling Persons and (ii) the Class E Notes by Benefit Plan Investors will not be permitted. Subordinated Securities (other than held as principal by the Collateral Manager, the Trustee, any of their respective affiliates, employees of the Collateral Manager, the Trustee or any of their affiliates and any charitable foundation of any such employees (other than any of such interests held as a Benefit Plan Investor) or (i) held by persons that have represented that they are Controlling Persons (to the extent that such a Controlling Person is not a Benefit Plan Investor), will be disregarded and will not be treated as Outstanding for purposes of determining compliance with such 25% limitation.

With respect to the U.S. Subordinated Securities or any beneficial interest therein, a purchaser will be required to represent and warrant, at the time of its acquisition and throughout the period it holds such Subordinated Security, (1) whether or not the purchaser is a Benefit Plan Investor, (2) whether or not the purchaser is a Controlling Person and (3) (a) if it is a Benefit Plan Investor, for purchaser, its purchase, holding and disposition of Subordinated Securities will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or

Confidential Treatment Requested by Goldman Sachs

GS MBG-001916335

-101-
Footnote Exhibits - Page 5115

other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of Subordinated Securities will not constitute or result in a non-exempt violation under any such substantially similar law.

With respect to the purchase of a beneficial interest in the Regulation S Global Subordinated Securities from the Initial Purchaser or the issuer, as the case may be, a purchaser will be required to represent and warrant, at the time of its acquisition and throughout the period it holds such Subordinated Security, (1) whether or not the purchaser is a Beneficial Plan Investor, (2) whether or not the purchaser is a Controlling Person and (3) (a) if it is a Beneficial Plan Investor, its purchase, holding and disposition of Subordinated Securities will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (b) if it is a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of Subordinated Securities will not constitute or result in a non-exempt violation under any such substantially similar law. Each purchaser and subsequent transferee of a beneficial interest in a Regulation S Global Subordinated Security purchased from persons other than the Initial Purchaser or the Issuer, as the case may be, will be deemed to represent that the purchase or transfer, as the case may be, from the date on which it acquires its interest in such Subordinated Securities through and including the date on which such purchaser or transferee disposes of its interest in such Subordinated Securities, (a) is not a Beneficial Plan Investor or a Controlling Person and (b) if it is a governmental, church, non-U.S. or other plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of Subordinated Securities will not constitute or result in a non-exempt violation under any such substantially similar law.

By its purchase of any Class E Notes, each purchaser and subsequent transferee thereof will be deemed to have represented and warranted that, from the date on which it acquires its interest in such Class E Notes through and including the date on which such purchaser or transferee disposes of its interest in such Class E Notes, (a) is not a Beneficial Plan Investor or a Controlling Person and (b) if it is a governmental, church, non-U.S. or other plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of Class E Notes will not constitute or result in a non-exempt violation under any such substantially similar law.

There can be no assurance that, despite the transfer restrictions relating to purchases by Beneficial Plan Investors and Controlling Persons and the procedures to be employed by the Issuer to attempt to limit ownership by Beneficial Plan Investors of the Class E Notes and the Subordinated Securities to less than 25%, Beneficial Plan Investors will not in actually own 25% or more of the outstanding Class E Notes or Subordinated Securities.

If for any reason the assets of the Issuer are deemed to be "plan assets" of a Plan subject to ERISA or Section 4975 of the Code because one or more Plans is an owner of Class E Notes or Subordinated Securities (or of a Co-Issued Note characterized as an "equity interest" in the Issuer), certain transactions that the Collateral Manager might enter into, or may have entered into, on behalf of the Issuer in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Collateral Manager could be deemed to be an ERISA fiduciary and may be prevented from engaging in certain transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. It also is not clear that Section 403(a) of ERISA, which limits delegation of investment management responsibilities by fiduciaries of ERISA Plans, would be satisfied.

Any Plan fiduciary or other person who proposes to use assets of any plan to purchase any Securities should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918336
The sale of any Security to a Plan, or to a person using assets of any Plan to effect its purchase, is in no respect a representation by the Issuer, the Initial Purchaser or the Collateral Manager that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

CERTAIN LEGAL INVESTMENT CONSIDERATIONS

None of the Issuer, the Co-Issuer, the Collateral Manager and the Initial Purchaser make any representation as to the proper characterization of the Securities for legal investment or other purposes, as to the ability of particular investors to purchase Securities for legal investment or other purposes or as to the ability of particular investors to purchase Securities under applicable investment restrictions. Without limiting the generality of the foregoing, none of the Issuer, the Co-Issuer, the Collateral Manager and the Initial Purchaser make any representation as to the characterization of the Securities as a U.S. domestic or foreign (non-U.S.) investment under any state insurance codes or related regulations, and they are not aware of any published pronouncement that addresses such characterization. Notwithstanding the foregoing, the Issuers understand that certain state insurance regulators, in response to a request for guidance, may be considering the characterization (as U.S. domestic or foreign (non-U.S.)) of certain collateralized debt obligation securities co-issued by a non-U.S. Issuer and a U.S. Co-Issuer. There can be no assurance as to the nature of any guidance or other action that may result from such consideration. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the Securities) may affect the liquidity of the Securities. Accordingly, all institutions the activities of which are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisors in determining whether and to what extent the Securities are subject to investment, capital or other restrictions.

SETTLEMENT AND CLEARING

Global Securities

Upon the issuance of the Global Securities, DTC or its custodian will credit, on its internal system, the respective aggregate original principal amount or number, as the case may be, of the individual beneficial interests represented by such Global Securities to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the Initial Purchaser. Ownership of beneficial interests in Global Securities will be limited to persons who have accounts with DTC ("Participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants).

So long as DTC, or its nominee, is the registered owner or Holder of the Global Securities, DTC or such nominee, as the case may be, will be considered the sole owner or Holder of each Class of the Securities represented by such Global Securities for all purposes under the Indenture and such Securities. Unless DTC notifies the Issuer that it is unwilling or unable to continue as depositary for a Global Security or ceases to be a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act, owners of the beneficial interests in the Global Securities will not be entitled to have any portion of such Global Securities registered in their names, will not receive or be entitled to receive physical delivery of Securities in certificated form and will not be considered to be the owners or Holders of any Securities under the Indenture. The owner of a beneficial interest in a Global Security will also be entitled to receive a certificated Security in exchange for such interest if an Event of Default has occurred and is continuing. In addition, no beneficial owner of an interest in the Global Securities will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Indenture referred to herein and, if applicable, those of Euroclear and Clearstream).

Investors may hold their interests in Regulation S Global Securities directly through Clearstream or Euroclear, if they are participants in these systems, or indirectly through organizations that are participants in these systems. Clearstream and Euroclear will hold interests in the Regulation S Global Securities on behalf of their participants through their respective depositaries, which in turn will hold the interests in the...
Footnote Exhibits - Page 5117

Regulation S Global Securities in customers' securities accounts in the depositaries' names on the books of DTC. Investors may hold their interests in a Rule 144A Global Security Note directly through DTC if they are participants in the system, or indirectly through organizations that are participants in the system.

Payments of the principal of and interest or distributions on Global Securities will be made to DTC or its nominee, as the registered owner thereof. None of the Issuers, the Trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments or distributions made on account of beneficial ownership interests in the Global Securities or for any notice permitted or required to be given to holders of Securities or any consent given or actions taken by DTC as holder of Securities. The Issuers expect that DTC may, upon receipt of any payment of principal, interest or distributions, as the case may be, in respect of a Global Security representing any Securities held by it or its nominee, will immediately credit participants' accounts with payments in amounts proportionate to their respective interests in the principal amount of the Security in global form as shown on the records of DTC or its nominee. The Issuers also expect that payments by participants to owners of interests in such Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants. Payments of the principal of and interest or distributions on the Regulation S Global Securities will be made to Clearstream or Euroclear, as applicable, as indirect participants in DTC, in accordance with their respective rules and operating procedures.

Transfers between participants will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in Global Securities to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of individual participants and certain banks, the ability of a person having a beneficial interest in Global Securities to pledge its interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of its interest, may be affected by the lack of a physical certificate of the Interest. Transfers between account holders in Clearstream and Euroclear will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Securities described above, cross-market transfers between DTC participants, on the one hand, and, directly or indirectly through Clearstream or Euroclear account holders, on the other, will be effected in DTC in accordance with DTC's rules on behalf of Clearstream or Euroclear, as the case may be, by its respective depository; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparties in the system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement for its behalf by delivering or receiving interests in a Regulation S Global Security in DTC and making or receiving payment in accordance with normal procedures for a same-day funds settlement applicable to DTC. Clearstream and Euroclear account holders may not deliver instructions directly to the depositaries for Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Security from a DTC participant will be credited during the securities settlement processing day (which must be a Business Day for Euroclear or Clearstream), as the case may be, immediately following the DTC settlement date and the credit of any transactions in interests in a Global Security settled during the processing day will be reported to the relevant Euroclear or Clearstream participant on that day. Cash received in Euroclear or Clearstream as a result of sales of interests in a Global Security by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

DTC has advised the Issuers that it will take any action permitted to be taken by a Holder of the Securities (including the presentation of the applicable Securities for exchange as described below) only at the direction of one or more participants to whose account with DTC interests in a Global Security are

Confidential Treatment Requested by Goldman Sachs

GS MBS:E:001918338
Footnote Exhibits - Page 5118

credited and only in respect of that portion of the aggregate principal amount or aggregate notional amount, as applicable, of the Securities as to which the participant or participants has or have given direction.

The giving of notices and other communications by DTC to participants, by participants to persons who hold accounts with them and by such persons to Holders of beneficial interests in a Global Security will be governed by interments between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised the issuers as follows: DTC is a limited purpose trust company principally located under the laws of the State of New York, a member of the Federal Reserve System, a "cleaning corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indeed access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in Global Securities among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform these procedures, and the procedures may be discontinued at any time. Neither the issuers nor the Trustee will have any responsibility for the performance by DTC, Clearstream, Euroclear or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Individual Definitive Securities

If (i) DTC or any successor to DTC advises the Issuer in writing that it is at any time unwilling or unable to continue as a depository for the reasons described in "—Global Securities" and a successor depository is not appointed by the Issuer within 90 days, (ii) as a result of any amendment to or change in the laws or regulations of the Cayman Islands or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which become effective on or after the Closing Date, the Issuer or the paying agent is, or will be, required to make any deduction or withholding from any payment in respect of the Securities which would not be required if the Securities were in definitive form or (iii) upon the written request of any beneficial owner of an interest in a Global Security following the occurrence of an Event of Default, the Issuer will issue individual definitive Securities in registered form in exchange for the Global Securities. Upon receipt of such notice from DTC, the Issuer will use its best efforts to make arrangements with DTC for the exchange of interests in the Global Securities for individual definitive Securities and cause the requested individual definitive Securities to be executed and delivered to the Registrar in sufficient quantities and authenticated by or on behalf of the Trustee for delivery to Holders of the Global Securities. Persons exchanging interests in a Global Security for individual definitive Securities will be required to provide to the Trustee, through DTC, Clearstream or Euroclear, (i) written instructions and other information required by the Issuer and the Trustee to complete, execute and deliver such individual definitive Securities, (ii) in the case of an exchange of an interest in a Rule 144A Global Secured Note, such certification as to "Qualified Institutional Buyer" status, and that such Holder is a Qualified Purchaser, as the Issuer shall require and (iii) in the case of an exchange of an interest in a Regulation S Global Security, such certification as the Issuer shall require as to non-U.S. Person status. In all cases, individual definitive Securities delivered in exchange for any Security in global form or beneficial interests therein will be registered in the names, and issued in denominations in compliance with the minimum denominations specified for the applicable Securities in global form, requested by DTC.

Individual definitive Securities will bear, and be subject to, such legends as the Issuer requires in order to assure compliance with any applicable law. Individual definitive Securities will be transferable subject to the minimum denomination applicable to such Securities, in whole or in part, and exchangeable for individual definitive Securities of the same kind, at the office of the Trustee or the office of any transfer agent, including the transfer agent in Ireland, upon compliance with the requirements set forth in the indenture.

Confidential Treatment Requested by Goldman Sachs
Individual definitive Securities may be transferred through any transfer agent, including the transfer agent in Ireland, upon the delivery and duly completed assignment of such Securities. Upon a partial transfer of any Securities represented by the applicable definitive notes, the Trustee will issue in exchange therefor to the transferor one or more individual definitive Securities representing the amount being transferred and will issue to the transferee one or more individual definitive Securities representing the remaining amount not being transferred. No service charge will be imposed for any registration of transfer or exchange, but payment of a sum sufficient to cover any tax or other governmental charge may be required. The Holder of a restricted individual definitive Security may transfer such Security subject to compliance with the provisions of the legend thereon. Upon the transfer, exchange or replacement of Securities bearing the legend, or upon specific request for removal of the legend on a Security, the issuer will deliver only Securities that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. Payments of principal and interest on individual definitive Secured Notes and Subordinated Securities shall be payable by wire transfer in immediately available funds to a Dollar account maintained by the Holder thereof or its nominee or, if appropriate instructions are not received at least fifteen days prior to the relevant Payment Date, by Dollar check drawn on a bank in the United States of America and sent by mail to the Registered holder thereof or, for so long as any of the Securities are listed on the Irish Stock Exchange and the rules of such Exchange shall so require, at the office of the paying agent in Ireland.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Securities. Any purchase or transfer of the Securities will be subject to the minimum denomination requirements set forth in “Summary—The Offering—Securities issued” (except in the limited circumstances set forth in the Indenture).

Rule 144A Global Secured Notes

Each purchaser of a beneficial interest in a Rule 144A Global Secured Note will be deemed to have represented and agreed with the issuer as follows:

(3) (A) The purchaser is a Qualified Institutional Buyer and a Qualified Purchaser, (B) the purchaser is purchasing the Secured Notes for its own account or the account of another Qualified Purchaser that is also a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion, (C) the purchaser and any such account is acquiring the Secured Notes principal amount for investment and not for sale in connection with any distribution thereof, (D) the purchaser and any such account was not formed solely for the purpose of investing in the Secured Notes (except when each beneficial owner of the purchaser or any such account is a Qualified Purchaser), (E) to the extent the purchaser (or any account for which it is purchasing the Secured Notes) is a private investment company formed on or before April 30, 1996, the purchaser and each such account has received the necessary consent from its beneficial owners, (F) the purchaser is not a broker-dealer that owns and invests in a percentage of 5% or more of the outstanding voting securities of the Issuer, (G) the purchase is not made in connection with or as part of a plan orIntention to engage in a series of related transactions all having a common purpose within the meaning of 12b-25 under the Exchange Act or 10b-15 under the Securities Act, (H) the purchaser agrees that it and each such account shall not hold such Secured Notes for the benefit of any other Person and shall not be the sole beneficial owner thereof for all purposes and that it shall not sell participation interests in the Secured Notes or enter into any other arrangement pursuant to which any other Person shall be entitled to a beneficial interest in the distributions on the Secured Notes (except when each beneficial owner of the purchaser or any such account is a Qualified Purchaser), (I) the Secured Notes purchased directly or indirectly by the purchaser or any account for which it is purchasing the Secured Notes constitute an investment of no more than 40% of the purchaser’s and each such account’s assets (except when each beneficial owner of the purchaser or any such account is a Qualified Purchaser), (J) the purchaser and each such account is purchasing the Secured Notes in a principal amount of not less than the minimum denomination requirement for the purchaser and each such account, (K) the purchaser will provide notice of the transfer restrictions set forth in the Indenture (including the exhibits thereto) to any transferee of its

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918340
Footnote Exhibits - Page 5120

Secured Notes, (i) the purchaser understands and agrees that the Issuer may receive a list of participants in the Secured Notes from one or more book-entry depositories and (ii) the purchaser understands and agrees that any purported transfer of the Secured Notes to a purchaser that does not comply with the requirements of this paragraph (i) shall be null and void ab initio.

(ii) If any U.S. Person that is not both a Qualified Institutional Buyer and a Qualified Purchaser at the time it acquires an interest in a Secured Note shall become the beneficial owner of any Secured Note, (any such Person, a "Non-Permitted Holder"), the Issuer shall, promptly after discovery that such Person is a Non-Permitted Holder by the Issuer, the Co-Issuer or the Trustee (and notice by the Trustee or the Co-Issuer to the Issuer, if either of them makes the discovery), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest in a Person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to transfer its Secured Notes, the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Secured Notes or interest in Secured Notes to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer, an investment bank selected by the Issuer, or the Trustee at the written direction of the Issuer (and approved by the Collateral Manager) may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Secured Notes, and selling such Secured Notes to the highest such bidder. However, the Issuer or the Trustee, at the written direction of the Issuer, may select a purchaser by any other means determined by it in its sole discretion. The holder of each Secured Note, the Non-Permitted Holder and each other Person in the chain of title from the Holder to the Non-Permitted Holder, by its acceptance of an interest in the Secured Notes, agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses, including fees of attorneys and agents, and taxes due in connection with such sale shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale under this paragraph shall be determined in the sole discretion of the Issuer, and neither the Issuer nor the Trustee shall be liable to any Person having an interest in the Secured Notes sold as a result of any such sale or the exercise of such discretion (including for the price of such sale).

(iii) The purchaser understands and agrees that the Secured Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and the sale of the Secured Notes to the purchaser is being made in reliance on an exemption from registration under the Securities Act, and may be resold, resold or pledged or otherwise transferred only (A)(i) to a Person whom the purchaser reasonably believes is a Qualified Institutional Buyer purchasing for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion or in a transaction meeting the requirements of Rule 144A or (B) to a person that is not a U.S. Person in an offshore transaction complying with Rule 903 or Rule 938 of Regulation S and (B) in accordance with all applicable securities laws of the states of the United States. The Issuer, the Co-Issuer and the Collateral have not been registered under the Investment Company Act and, therefore, no transfer having the effect of causing the Issuer, the Co-Issuer or the Collateral Manager to be registered as an investment company under the Investment Company Act will be recognized. The Secured Notes are subject to the restrictions on transfer set forth herein and in the Indenture and the Secured Notes. The purchaser understands and agrees that any purported transfer of the Secured Notes to a purchaser that does not comply with the requirements of this paragraph (iii) shall be null and void ab initio.

(iv) The purchaser is not purchasing the Secured Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands and agrees that an investment in the Secured Notes involves certain risks, including the risk of loss of its entire investment in the Secured Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer, the Co-Issuer and the Secured Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Secured Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Co-Issuer.

(v) In connection with the purchase of the Secured Notes: (A) none of the Issuers, the initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, the Administrator or the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918341
Registrar (or any of their respective Affiliates) is acting as a fiduciary or financial or investment adviser for the purchaser; (B) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, the Administrator or the Registrar (or any of their respective Affiliates) other than the Issuer and the Collateral Manager (with respect to the sections entitled "The Collateral Manager," and "Risk Factors—Conflicts of Interest Involving the Collateral Manager and Affiliates" in the final offering circular for such Secured Notes and any representations expressly set forth in a written agreement with such party; (C) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, the Administrator or the Registrar (or any of their respective Affiliates) has given to the purchaser directly or indirectly through any other Person any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Secured Notes; (D) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the Collateral Administrator, the Administrator or the Registrar (or any of their respective Affiliates); (E) the purchaser has evaluated the terms and conditions of the purchase and sale of the Secured Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming, and willing to assume (financially and otherwise) those risks; (F) the purchaser is a sophisticated investor; and (G) if acquiring the Secured Notes for any account, the purchaser has not made any disclosure, assurance, guarantee or representation not consistent with the provisions and the requirements contained herein.

(vi) With respect to Rule 144A Global Secured Notes (other than Rule 144A Global Class E Notes), at the time of its acquisition and throughout the period it holds such Rule 144A Global Secured Note (other than a Rule 144A Global Class E Note), either (A) the purchaser is not a Plan or an entity whose underlying assets include "plan assets" (within the meaning of 29 C.F.R. §2510.3-101) by reason of such Plan's investment in the entity or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (B) if the purchaser is an entity described in (A), the purchaser, holding and disposition of a Secured Note, as the case may be, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation under any substantially similar federal, state, local or non-U.S. law). Any purported transfer of a Secured Note to a purchaser that does not comply with the applicable requirements of this subclause (vi) shall be null and void at law.

(vi) The Secured Notes will bear a legend substantially to the following effect:

THE SECURED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE SECURED NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED AGREES FOR THE BENEFIT OF THE ISSUER THAT THE SECURED NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A) TO A PERSON WHOSE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) TO A PERSON THAT IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), THAT (i) IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(7) OF THE INVESTMENT COMPANY ACT, (ii) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS

Confidential Treatment Requested by Goldman Sachs GS MBS-E-001918342

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01054 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
A Qualified Purchaser) (II) Understands and agrees that the Issuers may receive a list of participants in the securities from one or more book-entry depositories, (X) is not a broker-dealer that owns and invests on a discretionary basis less than $25,000,000 in securities of unaffiliated Issuers, (Y) is not a pension, profit-sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants or affiliates may designate the particular investment to be made and (Z) has received the necessary consent from its beneficial owners when the Purchaser is a private investment company formed on or before April 30, 1998, and in a transaction that may be effected without loss of any applicable investment company act exemption or exclusion, (B) in a principal amount of not less than the minimum denomination set forth in the indenture and (C) in accordance with all applicable securities laws of the states of the United States or other applicable jurisdiction. Any transfer in violation of the foregoing will be of no force and effect, will be void ab initio and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuers, the Trustee or any intermediary. Each transferee of this note will provide notice of the transfer restrictions set forth herein and in the indenture to its transferee. In addition to the foregoing, the Issuer maintains the right to resell securities previously transferred to non-permitted holders (as defined in the indenture) in accordance with and subject to the terms of the indenture.

Any transferee, pledgee or other use of this note for value or otherwise by or to any person is wrongful since the registered owner hereof, Cede & Co., has an interest herein. Unless this note is presented by an authorized representative of the Depository Trust Company (“DTC”), New York, New York, to the Issuer or their agent for registration of transfer, exchange or payment and any note issued is registered in the name of Cede & Co. or of such other entity as is requested by an authorized representative of DTC (and any payment hereon is made to Cede & Co.), transfers of this note shall be limited to transfers in whole, but not in part, to nominees of DTC or to a successor thereof or such successor’s nominee, and transfers of portions of this note shall be limited to transfers made in accordance with the restrictions set forth in the indenture referred to herein.

Principal of this note is payable as set forth herein. Accordingly, the outstanding principal of this note at any time may be less than the amount shown on the face hereof. Any person acquiring this note may ascertain its current principal amount by inquiry of the Trustee.

The failure to provide the Issuer, the Trustee and any paying agent with the applicable U.S. Federal Income Tax certifications (generally, an Internal Revenue Service Form W-4 (or Successor Applicable Form) in the case of a person that is a “United States Person” within the meaning of Section 7701(a)(33) of the Code) or an applicable Internal Revenue Service Form W-8 (or Successor Applicable Form) in the case of a person that is not a “United States Person” within the meaning of Section 7701(a)(33) of the Code) may result in U.S. Federal backup withholding from payments to the holder in respect of this note.

(vi) The co-issued Notes will also bear the following legend:

Each holder of this note or interests hereinafter is to have made the representations and agreements set forth in the indenture, including the representation and agreement that if it is an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) which is subject to Title I of ERISA or a plan (as defined in Section 4975(e)(1) of the U.S. Code).
Footnote Exhibits - Page 5123

OF THE CODE AND SUBJECT TO SECTION 4975 OF THE CODE) OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" (WITHIN THE MEANING OF 29 C.F.R. § 2510.3-101) BY REASON OF SUCH EMPLOYEE BENEFIT PLANS OR PLAN'S INVESTMENT IN THE ENTITY OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE, HOLDING AND DISPOSITION OF THE NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR FOREIGN LAW. ANY PURPORTED TRANSFER OF THIS NOTE TO A PURCHASER THAT DOES NOT COMPLY WITH THE ABOVE REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.

(x) The Class E Notes will also bear the following legend:

THIS NOTE MAY NOT BE TRANSFERRED TO (1) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF TITUBE) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR TO (2) A "PLAN" WITHIN THE MEANING OF 29 C.F.R. § 2510.3-101) BY REASON OF SUCH EMPLOYEE BENEFIT PLANS OR PLAN'S INVESTMENT IN THE ENTITY OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE, HOLDING AND DISPOSITION OF THE NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR FOREIGN LAW. ANY PURPORTED TRANSFER OF THIS NOTE TO A PURCHASER THAT DOES NOT COMPLY WITH THE ABOVE REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.

(x) The purchaser understands and acknowledges that the beneficial owner hereunder is the President of the United States of America, Federal regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Control ("OFAC") and other Federal laws prohibit, among other things, U.S. persons or persons under the jurisdiction of the United States from engaging in certain transactions with certain countries, companies, authorities, entities, and individuals. The list of prohibited countries, companies, authorities, entities, and individuals can be found at the OFAC website at www.treas.gov/ofac. Neither the purchaser nor any of its Affiliates, owners, directors or officers is, or is acting on behalf of, a country, company, authority, entity, or individual named on such lists, nor is the purchaser or any of its Affiliates, owners, directors or officers a national of or entity with whom dealings are prohibited under any OFAC regulation or other applicable Federal law or acting on behalf of such a national or entity.

(d) The purchaser represents that it is not a member of the public in the Cayman Islands.

Each purchaser and subsequent transferee of a Class E Note or any interest therein shall be deemed to represent and warrant, at the time of its acquisition and throughout the period that it holds a Class E Note or any interest therein, that (A) either (1) it is not a beneficiary owner, and if after its initial acquisition of a Class E Note or any interest therein, such beneficial owner determines, or it is determined by another party, that such beneficial owner is a Beneficiary Plan investor, and if after its initial acquisition of a Class E Note or any interest therein, such beneficial owner determines, or it is determined by another party, that such beneficial owner is a Beneficiary Plan investor, and such beneficial owner will dispose of all of its Class E Notes in a manner consistent with the restrictions set forth in the applicable agreements or (2) if it is a governmental, church, non-U.S. or other plan that is subject to any Federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of Class E Notes will not constitute or result in a non-exempt violation under any such substantially similar law and (B) it will not sell or otherwise transfer a Class E Note or any interest therein to any person who is unable to satisfy the same foregoing representations in (A) above. The purchaser acknowledges that a transfer of the Class E Notes to a Beneficiary Plan investor will not be permitted, and no

Confidential Treatment Requested by Goldman Sachs
such transfer will be registered under the Indenture. Any purported transfer of a Class E Note in violation
of the requirements set forth in this paragraph shall be null and void ab initio and will not operate to transfer any
rights in the Indenture, notwithstanding any instructions to the contrary to the Issuers, the Trustees or any
intermediary. In addition to the foregoing, the Issuer maintains the right to reject any Class E Note previously
transferred to non-permitted holders in accordance with and subject to the terms of the Indenture.

(ii) Each purchaser and each transferee of Class E Notes that (i) is not a "United States person" (as
defined in Section 7701(a)(30) of the Code) and (ii) is acquiring, directly or indirectly in conjunction with affiliates, more
than 33 1/3% of the Aggregate Outstanding Amount of the Class E Notes will be deemed to make a
representation to the effect that it is not an Affected Bank.

Regulation S Global Secured Notes

Each purchaser of a beneficial interest in a Regulation S Global Secured Note will be deemed to
have represented and agreed with the Issuer (A) as set forth in paragraphs (i) through (vii), (A) and (A)
(other than paragraphs (vi) and (vii) in the case of the Class E Notes) and solely in the case of the Class E
Notes, paragraphs (viii), (ix), and (x), under "—Rule 144A Global Secured Notes," mutatis mutandis; (B) that
the purchaser is not a U.S. Person and is acquiring the Secured Notes in an offshore transaction meeting the
requirements of Rule 903 or Rule 904 of Regulation S and in a principal amount of not less than the
applicable minimum denomination requirement and (C) either (1) such purchaser’s principal place of
business is not located within any Federal Reserve District of the United States Federal Reserve Bank or (2)
such purchaser has satisfied and will satisfy any applicable registration or other requirements of the Board of
Governors of the Federal Reserve System including Regulation U in connection with its acquisition of the
Secured Notes.

U.S. Subordinated Securities

Each purchaser of a U.S. Subordinated Security will be required to represent and agree with the
Issuer as follows:

(i) Subject to the last sentence of subclause (ii) below, the purchaser is (a) either (A) a Qualified
Institutional Buyer or (B) an Accredited Investor and (ii) (1) a Qualified Purchaser or (2) a Knowledgeable
Employee.

(ii) (A) The purchaser is purchasing the Subordinated Securities for its own account or for the
account of another Qualified Purchaser or Knowledgeable Employee that is also a Qualified Institutional
Buyer or, subject to the last sentence of this subclause (B), an Accredited Investor as to which the purchaser
e exercises sole investment discretion, (B) each of the purchaser and any such account is acquiring the
Subordinated Securities as principal for its own account for investment and not for sale in connection
with any distribution thereof, (C) neither the purchaser nor any such account was formed solely for the specific
purpose of investing in the Subordinated Securities (except when each beneficial owner of the purchaser or
each such account is a Qualified Purchaser or a Knowledgeable Employee), (D) to the extent the purchaser
(or any account for which it is purchasing the Subordinated Securities) is a private investment company
 formed or before April 30, 1996, the purchaser and each such account has received the necessary
consent from its beneficial owners, (E) the purchaser agrees that it and each such account shall not hold
such Subordinated Securities for the benefit of any other Person and shall be the sole beneficial owner
thereof for all purposes and that it shall not sell participation interests in the Subordinated Securities or enter
into any other arrangement pursuant to which any other Person shall be entitled to a beneficial interest in the
distributions on the Subordinated Securities (except when such Person is a Qualified Purchaser), (F) the
Subordinated Securities purchased directly or indirectly by the purchaser or any account for which it is
purchasing the Subordinated Securities constitute an investment of no more than 40% of the purchaser’s end
each such account’s assets (except when each beneficial owner of the purchaser and each such account is a
Qualified Purchaser or a Knowledgeable Employee), (G) the purchaser and each such account is
purchasing the Subordinated Securities in a material amount of not less than the minimum denomination
requirement for the purchaser and each such account (except in the limited circumstances set forth in the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918345
(ii) Other than with respect to the circumstances described in the last sentence of subclause (ii) above, if any U.S. Person that is not (A) a Qualified Purchaser or (B) a Knowledgeable Employee and (C) a Qualified Institutional Buyer or (D) an Accredited Investor, shall become the owner of any Subordinated Securities (any such person, a "Non-Permitted Holder"), the Issuer shall, promptly after discovery that such Person is a Non-Permitted Holder by the Issuer or the Trustee (and notice by the Trustee to the Issuer, if the Trustee makes the discovery), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a Person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to transfer its Subordinated Securities, the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Subordinated Securities to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer, an investment bank selected by the Issuer, or the Trustee at the written direction of the Issuer (and approved by the Collateral Manager) may select a purchaser by any means determined by it in its sole discretion. The holder of each Subordinated Security, the Non-Permitted Holder and each other person in the chain of title from the Holder to the Non-Permitted Holder, by its acceptance of an interest in the Subordinated Securities, agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses, including fees of attorneys and agents, and taxes due in connection with such sale shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale under this paragraph shall be determined in the sole discretion of the Issuer, and neither the Issuer nor the Trustee shall be liable to any Person having an interest in the Subordinated Securities sold as a result of any such sale or the exercise of such discretion (including for the price of such sale).

(v) The purchaser will not, at any time, offer to buy or offer to sell the Subordinated Securities by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or other medium of general circulation, or broadcast over the television or radio or seminar or meeting whose attendees have been invited by general solicitation or advertising.

The purchaser understands and agrees that the Subordinated Securities have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and the sale of the Subordinated Securities to the purchaser is being made in reliance on an exemption from registration under the Securities Act, and may be reoffered, resold, pledged or otherwise transferred only (A) to a person whom the purchaser reasonably believes is a Qualified Institutional Buyer purchasing for its own account or for the account of a Qualified Institutional Buyer, (B) to another Person of the type described in clause (A) above to whom the purchaser reasonably believes that the purchaser is exercising solicitation or offering of the type described in clause (A) above to whom the purchaser reasonably believes that the purchaser is exercising solicitation or offering of the type described in clause (A) above, (C) to a Person to whom the purchaser reasonably believes that the purchaser is exercising solicitation or offering of the type described in clause (A) above, (D) to a Person that is not a U.S. Person, in accordance with the requirements of Rule 903 of Regulation S or (E) to an Accredited Investor for its own account or for the account of an Accredited Investor and in the case of subclauses (B) and (E), to a transferee that is either (a) a Qualified Purchaser or (b) a Knowledgeable Employee and (c) in accordance with all applicable securities laws of the states of the United States. The Issuer and the Collateral Manager have not been registered under the Investment Company Act and, therefore, no transfer having the effect of causing the Issuer or the Collateral Manager to be required to be registered as an investment company under the Investment Company Act will be recognized. The Subordinated Securities are subject to the restrictions on transfer set forth herein, in the indenture and in the Subordinated Securities. Before any interest in a U.S. Subordinated Security may be offered, sold, pledged or otherwise transferred, the transferee will be required to provide the Issuer and the Trustee with a written certificate attesting to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Subordinated Securities to a purchaser that does not comply with the requirements of this paragraph (v) shall be null and void ab initio.

-112-

Confidential Treatment Requested by Goldman Sachs

GS MSB-E-001918346
(vi) The purchaser is not purchasing the Subordinated Securities with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands and agrees that an investment in the Subordinated Securities involves certain risks, including the risk of loss of its entire investment in the Subordinated Securities under certain circumstances. The purchaser has had access to such financial and other information concerning the issuer and the Subordinated Securities as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Subordinated Securities, including an opportunity to ask questions of, and receive information from, the Issuer.

(vii) In connection with the purchase of the Subordinated Securities: (A) none of the Issuers, the Initial Purchaser, the Trustee, the Collateral Manager (except such representation is not made by advisory clients of the Collateral Manager that purchase any Subordinated Securities, with respect to the Collateral Manager), the Collateral Administrator, the Administrator, or the Registrar (or any of their respective Affiliates) is acting as a fiduciary or financial or investment adviser for the purchaser; (B) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuers, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, the Administrator or the Registrar (or any of their respective Affiliates) other than the Issuers and the Collateral Manager (with respect to the sections entitled "The Collateral Manager," and "Risk Factors—Conflicts of Interest Involving the Collateral Manager and Affiliates") in the final offering circular and any representations expressly set forth in a written agreement with such party; (C) none of the Issuers, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, the Administrator or the Registrar (or any of their respective Affiliates) has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Subordinated Securities; (D) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the indenture) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuers, the Initial Purchaser, the Collateral Manager, the Trustee, the Collateral Administrator, the Administrator or the Registrar (or any of their respective Affiliates); (E) the purchaser has evaluated the terms and conditions of the purchase and sale of the Subordinated Securities with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) these risks; (F) the purchaser is a sophisticated investor; and (G) if acquiring the Subordinated Securities for any account, the purchaser has not made any disclosure, assurance, guarantee or representation not consistent with the provisions and the requirements contained herein.

(viii) It is (or is not, as applicable) a Benefit Plan Investor or a Controlling Person. No Benefit Plan Investor or Controlling Person will be permitted to purchase Subordinated Securities, unless its purchase, holding and disposition of such Subordinated Securities, (i) will not cause participation by Benefit Plan Investors to be "significant" within the meaning of the Plan Asset Regulations and (ii) if the purchaser is a Benefi Plan Investor, the acquisition, holding and disposition of such Subordinated Securities, or any intended resale of such Subordinated Securities, will not constitute or result in a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code. If the purchaser is a governmental, church or other plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, such purchaser shall represent and warrant that its purchase, holding and disposition of a U.S. Subordinated Security will not constitute or result in a non-exempt violation under any such substantially similar law.

In determining whether participation by Benefit Plan Investors is "significant," Subordinated Securities beneficially held by (i) the Collateral Manager, the Trustee, any of their respective Affiliates, employees of the Collateral Manager, or any of their respective Affiliates and any charitable foundation of any such employees or (ii) persons that have represented that they are Controlling Persons, will be disregarded and will not be treated as Outstanding for purposes of whether participation by Benefit Plan Investors is "significant" to the extent that persons listed in (i) or (ii) are not Benefit Plan Investors.

-113-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918347
Footnote Exhibits - Page 5127

The purchaser acknowledges that a transfer of the Subordinated Securities will not be permitted, and no such transfer or exchange will be registered under the indenture, to the extent that the transfer or exchange would result in Beneficial Plan Investors owning 25% or more of the Aggregate Outstanding Amount of the Subordinated Securities immediately after such transfer or exchange (determined in accordance with the Plan Asset Regulations and the indenture).

(x) The purchaser understands and agrees that, in order for the Issuer to satisfy its obligations to provide certain United States federal income tax information to beneficial owners of the Subordinated Securities that are United States persons within the meaning of Section 7701(a)(30) of the Code, the Initial Purchaser or any respective Affiliates thereof, the Issuer or the Trustee may provide to the Issuer's accountants information concerning the purchaser's name and address, the notional amount of Subordinated Securities owned by the purchaser and the date of such purchaser's purchase, and the information related to the tax status of the purchaser as provided by the purchaser to the Issuer pursuant to the certifications required in the indenture.

(xi) The purchaser understands and agrees that the Issuer will treat the Subordinated Securities as equity in the Issuer for United States federal, state and local income tax purposes, and the purchaser and the registered holder of the Subordinated Securities (if different from the purchaser), by acceptance of its Subordinated Securities or its interests in the Subordinated Securities, agrees to treat the Subordinated Securities as equity in the Issuer for United States federal, state and local income tax purposes.

(xii) Each purchaser or subsequent transferee of U.S. Subordinated Securities that (i) is not a "United States person" (as defined in Section 7701(a)(30) of the Code) and (ii) is acquiring, directly or indirectly, in connection with, or as part of a transaction with or for the account of, or with the assistance of, any U.S. person, more than 33 1/3% of the Aggregate Outstanding Amount of the Subordinated Securities will be deemed to make a representation to the effect that it is not an Affected Person.

(xiii) To the extent required by the Issuer, as determined by the Issuer or the Collateral Manager on behalf of the Issuer, the Issuer may, upon written notice to the Trustee and the Registrar, impose additional transfer restrictions on the Subordinated Securities to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the USA PATRIOT Act) and other similar laws or regulations, including, without limitation, requiring each transferor or a beneficial interest in a Subordinated Security to make representations to the Issuer in connection with such compliance.

(xiv) Each U.S. Subordinated Security will bear a legend substantially to the following effect:

THE SUBORDINATED SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE SUBORDINATED SECURITIES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SUBORDINATED SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (x) TO A PERSON WHOSE NAME THE ISSUER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT; (y) TO AN ACCREDITED INVESTOR (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF AN ACCREDITED INVESTOR, IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (z) TO A PERSON THAT IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN EACH CASE, IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000, FOR THE PURCHASER AND IN EACH ACCOUNT FOR WHICH IT IS ACTING (EXCEPT AS OTHERWISE SET FORTH IN THE INDENTURE) AND, IN THE CASE OF SUBCLAUSES (1) AND (2), TO A PURCHASER THAT (x) IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT OR A

Confidential Treatment Requested by Goldman Sachs GS-MBS-E-001918348
KNOWLEDGEABLE EMPLOYEE WITHIN THE MEANING OF RULE 144 OF THE INVESTMENT COMPANY ACT, (I) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 3(a)(7) OF THE INVESTMENT COMPANY ACT OR A KNOWLEDGEABLE EMPLOYEE WITHIN THE MEANING OF RULE 144 OF THE INVESTMENT COMPANY ACT AND (2) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED ON OR BEFORE APRIL 30, 1996, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR EXCLUSION, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER THE TRUSTEE OR ANY INTERMEDIARY. EACH TRANSFEREE OF THE SUBORDINATED SECURITIES REPRESENTED HEREBY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO RESELL ANY SUBORDINATED SECURITIES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE INDENTURE) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE INDENTURE.

EACH PURCHASER OF THIS SUBORDINATED SECURITY ACQUIRING SUCH SUBORDINATED SECURITY FROM THE INITIAL PURCHASER OR THE ISSUER, AS THE CASE MAY BE, AND EACH SUBSEQUENT TRANSFEREE ACQUIRING SUCH SUBORDINATED SECURITY FROM PERSONS OTHER THAN THE INITIAL PURCHASER OR THE ISSUER, AS THE CASE MAY BE, WILL BE REQUIRED TO REPRESENT, WITH RESPECT TO EACH DAY IT HOLDS SUCH SUBORDINATED SECURITY OR ANY BENEFICIAL INTEREST HERIN, (1) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE EMPLOYER RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED) "(ERISA)" SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") THAT IS SUBJECT TO SECTION 4975 OF THE CODE, ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLANS OR PLANS' INVESTMENT IN THE ENTITY OR A "BENEFIT PLAN INVESTOR" AS SUCH TERM IS OTHERWISE DEFINED IN ANY REGULATIONS PROMULGATED BY THE U.S. DEPARTMENT OF LABOR UNDERS SECTION 3(42) OF ERISA (COLLECTIVELY, "BENEFIT PLAN INVESTORS") OR (B) A PERSON OTHER THAN A BENEFIT PLAN INVESTOR WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF SUCH A PERSON AND (2) (A) IF IT IS A BENEFIT PLAN INVESTOR, ITS PURCHASE, HOLDING AND DISPOSITION OF SUBORDINATED SECURITIES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 408 OF ERISA OR SECTION 4975 OF THE CODE OR (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE, HOLDING AND DISPOSITION OF SUBORDINATED SECURITIES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION UNDER ANY SUCH SUBSTANTIALLY SIMILAR LAW AND (3) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUBORDINATED SECURITIES OR INTERESTS THEREIN TO ANY PERSON WHO IS UNABLE TO SATISFY THE FOREGOING REPRESENTATION AND WARRANTIES. NO TRANSFER IN INTEREST IN THIS SUBORDINATED SECURITY WILL BE EFFECTIVE, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER IF IT WOULD RESULT IN 5% OR MORE OF THE VALUE OF THE SUBORDINATED SECURITIES BEING HELD BY BENEFIT PLAN INVESTORS. ANY PURPORTED TRANSFER OF THE SUBORDINATED SECURITIES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO.

DISTRIBUTIONS OF PRINCIPAL PROCEEDS AND INTEREST PROCEEDS TO THE HOLDER OF THE SUBORDINATED SECURITIES REPRESENTED HEREBY ARE SUBORDINATE, IN THE CASE OF THE SUBORDINATED SECURITIES TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF

-115-

Confidential Treatment Requested by Goldman Sachs
AND INTEREST ON THE SECURED NOTES AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE REFERRED TO HEREIN.


(xiv) The purchaser understands that Executive Orders issued by the President of the United States of America, Federal regulations administered by OFAC and other federal laws prohibit, among other things, U.S. persons or persons under the jurisdiction of the United States from engaging in certain transactions with certain foreign countries, territories, entities and individuals, and that the lists of prohibited countries, territories, entities and individuals can be found on, among other places, the OFAC website at www.treasury.gov. Neither the purchaser nor any of its Affiliates, owners, directors or officers is, or is acting on behalf of, a country, territory, entity or individual named on such lists, nor is the purchaser or any of its Affiliates, owners, directors or officers a natural person or entity with whom dealings are prohibited under any OFAC regulation or other applicable federal law or acting on behalf of such a natural person or entity.

(xv) The purchaser represents that it is not a member of the public in the Cayman Islands.

Regulation S Global Subordinated Securities

(i) Each purchaser of a beneficial interest in a Regulation S Global Subordinated Security will be deemed to have represented and agreed with the Issuer (a) as set forth in paragraphs (b), (c), (d), (e), (f), (g) (h) and (i) under "U.S. Subordinated Securities", mutatis mutandis, and (b) that the purchaser is not a U.S. Person and is acquiring the Subordinated Securities in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S.

(ii) The purchaser understands and agrees that the Issuer will treat the Subordinated Securities as equity in the Issuer for United States federal, state and local income tax purposes, and the purchaser and the registered Holder of the Subordinated Securities (if different from the purchaser), by acceptance of its Subordinated Securities or its interests in the Subordinated Securities, agrees to treat the Subordinated Securities as equity in the Issuer for United States federal, state and local income tax purposes.

Each purchaser or subsequent transferee of a Regulation S Global Subordinated Security that (i) is not a "United States person" (as defined in Section 7701(a)(30) of the Code) and (ii) is acquiring, directly or in conjunction with affiliates, more than 33 1/3% of the Aggregate Outstanding Amount of the Subordinated Securities will be deemed to make a representation to the effect that it is not an Affected Bank.

(iii) With respect to the purchase of Regulation S Global Subordinated Securities from the Initial Purchaser or the Issuer, as the case may be, the purchaser will be required to represent that (a) if it is (or is not, as applicable) a Benefit Plan Investor or a Controlling Person and (b) (1) if it is a Benefit Plan Investor, it's purchase, holding and disposition of Subordinated Securities will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (2) if it is a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of Subordinated Securities will not constitute or result in non-exempt violation under any such substantially similar law.

Confidential Treatment Requested by Goldman Sachs

OS MBS-E-001916050
No Benefit Plan Investor or Controlling Person will be permitted to purchase Regulation S Global Subordinated Securities from the initial Purchaser or the Issuer, as the case may be, unless its purchase, holding and disposition of such Subordinated Securities (i) will not cause participation by Benefit Plan Investors to be “significant” within the meaning of the Plan Asset Regulations and (ii) the purchaser is a Benefit Plan Investor; the acquisition, holding and disposition of such Securities or any interest therein will not constitute or result in a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code. If a purchaser is a governmental, church, non-U.S. or other plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, such purchaser shall represent and warrant or be deemed to have represented and warranted that its purchase, holding and disposition of a Regulation S Global Subordinated Security will not constitute or result in a non-exempt violation under any such substantially similar law.

In determining whether participation by Benefit Plan Investors is “significant,” Subordinated Securities beneficially held by (i) the Collateral Manager, the Trustee, any of their respective Affiliates, employees of the Collateral Manager, or any of their respective Affiliates and any charitable foundation of any such employees or (ii) persons that have represented that they are Controlling Persons will be disregarded and will not be treated as Outstanding for purposes of whether participation by Benefit Plan Investors is “significant” to the extent that persons listed in (i) or (ii) are not Benefit Plan Investors.

Each subsequent transferee of a beneficial interest in a Regulation S Global Subordinated Security purchased from persons other than the initial Purchaser or the Issuer, as the case may be, will be deemed to represent that the transferee from the date on which it acquires its interest in such Subordinated Securities through and including the date on which such transferee, as the case may be, disposes of its interest in such Subordinated Securities, (A) is not a Benefit Plan Investor or a Controlling Person and (B) if it is a governmental, church, non-U.S. or other plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of Subordinated Securities will not constitute or result in a non-exempt violation under any such substantially similar law. The transferee acknowledges that a transfer of the Subordinated Securities will not be permitted, and the Trustee will not register any such transfer of which it has actual knowledge, to the extent that the transfer would result in Benefit Plan investors owning 25% or more of the Aggregate Outstanding Amount of the Subordinated Securities immediately after such transfer (determined in accordance with the Plan Asset Regulations and the Indenture). Any purported transfer in derogation of the requirements set forth in this paragraph shall be null and void ab initio.

Each Regulation S Global Subordinated Security will bear a legend substantially to the following effect:

THE SUBORDINATED SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). THE HOLDER HEREBY, BY PURCHASING THE SUBORDINATED SECURITIES IN RESPECT OF WHICH THIS SECURITY HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE SUBORDINATED SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A) TO OFFEREE WHOSE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (B) TO AN ACCREDITED INVESTOR (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF AN ACCREDITED INVESTOR, IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (C) TO A PERSON THAT IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN AN OFF-SHORE

Confidential Treatment Requested by Goldman Sachs
TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN EACH CASE, IN A NOTIONAL AMOUNT OF NOT LESS THAN $100,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING (EXCEPT AS OTHERWISE SET FORTH IN THE INDENTURE) AND, IN THE CASE OF SUBCLAUSES (1) AND (2), TO A PURCHASER THAT (A) IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 3(a)(7) OF THE INVESTMENT COMPANY ACT OR A KNOWLEDGEABLE EMPLOYEE WITHIN THE MEANING OF RULE 5a-5 OF THE INVESTMENT COMPANY ACT, (B) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 3(a)(7) OF THE INVESTMENT COMPANY ACT OR A KNOWLEDGEABLE EMPLOYEE WITHIN THE MEANING OF RULE 5a-5 OF THE INVESTMENT COMPANY ACT), (C) UNDERSTANDS AND AGREES THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS IN THE SUBORDINATED SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (D) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED ON OR BEFORE APRIL 30, 1996, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR EXCLUSION AND (3) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. EACH TRANSFEREE OF THE SUBORDINATED SECURITIES REPRESENTED HEREBY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO RESELL SUBORDINATED SECURITIES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE INDENTURE) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE INDENTURE.

EACH PURCHASER OF THIS SUBORDINATED SECURITY ACQUIRING SUCH SUBORDINATED SECURITY FROM THE INITIAL PURCHASER OR THE ISSUER, AS THE CASE MAY BE, WILL BE REQUIRED TO REPRESENT, WITH RESPECT TO EACH DAY IT HOLDS SUCH SUBORDINATED SECURITY OR ANY BENEFICIAL INTEREST HEREIN, (1) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED) (THE "CODE"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, ANY TRUSTEE, TRUSTEE IN REM, TRUSTEE UNDER A TRUST OR PLAN WHICH IS SUBJECT TO THE CODE, AN UNDERLYING ASSET OF SUCH PLAN ACCURATELY REFLECTS THE MARKET VALUE OF SUCH SECURITY, OR ANY OTHER TRUSTEE OR TRUSTEE UNDER A TRUST OR PLAN WHICH IS SUBJECT TO THE CODE AND SPECIFIED AS A TRUSTEE UNDER A TRUST OR PLAN WITHIN THE MEANING OF SECTION 4975 OF THE CODE, OR (C) A TRUSTEE OR TRUSTEE UNDER A TRUST OR PLAN WHICH IS SUBJECT TO THE CODE AND SPECIFIED AS A TRUSTEE UNDER A TRUST OR PLAN WITHIN THE MEANING OF SECTION 4975 OF THE CODE, AND TWO PERSONS OR ENTITIES WHO ARE AFFILIATED WITH SUCH PLAN (AS DEFINED IN SECTION 4975(e)(3) OF THE CODE). ANY REPRESENTATION TO THE CONTRARY WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. EACH TRANSFEREE OF THE SUBORDINATED SECURITIES REPRESENTED HEREBY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO RESELL SUBORDINATED SECURITIES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE INDENTURE) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE INDENTURE.

EACH PURCHASER OF THIS SUBORDINATED SECURITY ACQUIRING SUCH SUBORDINATED SECURITY FROM THE INITIAL PURCHASER OR THE ISSUER, AS THE CASE MAY BE, WILL BE REQUIRED TO REPRESENT, WITH RESPECT TO EACH DAY IT HOLDS SUCH SUBORDINATED SECURITY OR ANY BENEFICIAL INTEREST HEREIN, (1) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED) (THE "CODE"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, ANY TRUSTEE, TRUSTEE IN REM, TRUSTEE UNDER A TRUST OR PLAN WHICH IS SUBJECT TO THE CODE, AN UNDERLYING ASSET OF SUCH PLAN ACCURATELY REFLECTS THE MARKET VALUE OF SUCH SECURITY, OR ANY OTHER TRUSTEE OR TRUSTEE UNDER A TRUST OR PLAN WHICH IS SUBJECT TO THE CODE AND SPECIFIED AS A TRUSTEE UNDER A TRUST OR PLAN WITHIN THE MEANING OF SECTION 4975 OF THE CODE, OR (C) A TRUSTEE OR TRUSTEE UNDER A TRUST OR PLAN WHICH IS SUBJECT TO THE CODE AND SPECIFIED AS A TRUSTEE UNDER A TRUST OR PLAN WITHIN THE MEANING OF SECTION 4975 OF THE CODE, AND TWO PERSONS OR ENTITIES WHO ARE AFFILIATED WITH SUCH PLAN (AS DEFINED IN SECTION 4975(e)(3) OF THE CODE). ANY REPRESENTATION TO THE CONTRARY WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. EACH TRANSFEREE OF THE SUBORDINATED SECURITIES REPRESENTED HEREBY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO RESELL SUBORDINATED SECURITIES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE INDENTURE) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE INDENTURE.

-118-

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-001916352
AND INCLUDING THE DATE ON WHICH SUCH PURCHASER DISPOSES OF ITS INTEREST IN SUCH
SUBORDINATED SECURITY, AND IT IS NOT (A) A BENEFIT PLAN INVESTOR OR (B) A CONTROLLING
PERSON AND (C) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS
SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR
TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE,
HOLDING AND DISPOSITION OF THIS SUBORDINATED SECURITY WILL NOT CONSTITUTE OR
RESULT IN A NON-EXEMPT VIOLATION UNDER ANY SUCH SUBSTANTIALLY SIMILAR LAW. NO
TRANSFER OF ANY INTEREST IN THIS SUBORDINATED SECURITY WILL BE EFFECTIVE, AND THE
TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER IF IT WOULD RESULT IN 25% OR MORE OF
THE VALUE OF THE SUBORDINATED SECURITIES BEING HELD BY BENEFIT PLAN INVESTORS.
EACH BENEFICIAL OWNER OF THIS SUBORDINATED SECURITY WILL BE REQUIRED TO MAKE
THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE. ANY PURPORTED
TRANSFER OF THE SUBORDINATED SECURITIES IN VIOLATION OF THE REQUIREMENTS SET
FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO.

ANY TRANSFER, PLEDGE OR OTHER USE OF THE SUBORDINATED SECURITIES
REPRESENTED HEREBY FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL
SINCE THE REGISTERED OWNER HEREOF, Cede & Co., HAS AN INTEREST THEREIN, UNLESS THIS
SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST
COMPANY (DTC), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION
OF TRANSFER, EXCHANGE OR PAYMENT AND ANY SUBORDINATED SECURITIES ISSUED ARE
REGISTERED IN THE NAME OF Cede & Co. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN
AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT HEREON IS MADE TO Cede & Co.

TRANSFERS OF THE SUBORDINATED SECURITIES REPRESENTED HEREBY SHALL BE
LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A
SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF THE
SUBORDINATED SECURITIES REPRESENTED HEREBY SHALL BE LIMITED TO TRANSFERS MADE
IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

DISTRIBUTIONS OF PRINCIPAL PROCEEDS AND INTEREST PROCEEDS TO THE HOLDER OF
THE SUBORDINATED SECURITIES REPRESENTED HEREBY ARE SUBORDINATE TO THE PAYMENT
ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE
ISSUER AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED
IN THE INDENTURE REFERRED TO HEREIN.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE
APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE
SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A
UNITED STATES PERSON) WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE, AN
APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN
THE CASE OF A PERSON THAT IS NOT A UNITED STATES PERSON) WITHIN THE MEANING
OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK-UP WITHHOLDING FROM
PAYMENTS TO THE HOLDER IN RESPECT OF THIS SECURITY.

LISTING AND GENERAL INFORMATION

1. Application has been made to the Irish Financial Services Regulatory Authority, as
competent authority under Directive 2003/11/EC, for this Offering Circular to be approved. Application
has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and to trading
on its regulated market. Such approval relates only to Securities which are to be admitted to trading on the
regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive
93/22/EC. This document is considered an advertisement for purposes of applicable measures
"prospectus" prepared pursuant to the Prospectus Directive will be published, which can be obtained from
the Issuer. There can be no assurance that such listing will be approved or maintained. See "Risk Factors—
Irish Stock Exchange Listing. The Issuers have been advised by Arthur Cox Listing Services Limited (in such capacity, the "Irish Listing Agent") that the estimated upfront fees and expenses for obtaining such listing will be approximately €5,150 and the estimated ongoing expenses for maintaining such listing will be approximately €2,250 per annum.

2. Copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Issuer, the Certificate of Incorporation and By-laws of the Co-Issuer, the Administration Agreement, the resolutions of the Board of Directors of the Issuer authorizing the issuance of the Securities, the resolutions of the Board of Directors of the Co-Issuer authorizing the issuance of the Co-Issued Notes, the Indenture, the Collateral Management Agreement and any Hedge Agreements will be available in electronic form for inspection in the City of Houston, Texas at the office of the Trustee and at the office of the paying agent for the Securities in Ireland for so long as the Securities are listed on the Irish Stock Exchange.

3. Since the date of establishment, there has been no significant change in the financial or trading position of the Issuer or the Co-Issuer and no annual report or accounts have been prepared as of the date of this document. Since incorporation, the Issuers have not commenced trading, established any accounts or declared any dividends, except for the transactions described herein.

4. The Issuers are not involved in any legal, arbitration or governmental proceedings relating to claims on amounts which are material in the context of the issue of the Securities, nor, so far as each of the Issuers is aware, is any such litigation or arbitration involving it pending or threatened.

5. The issuance of the Securities will be authorized by the Board of Directors of the Issuer by resolution passed on or before the Closing Date. The issuance of the Co-Issued Notes will be authorized by the sole Director of the Co-Issuer by resolution on or before the Closing Date.

6. The Securities sold to Persons that are not U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act represented by Regulation S Global Securities are expected to be accepted for clearance through Clearstream and Euroclear. The Secured Notes sold to Persons that are Qualified Institutional Buyers/Qualified Purchasers under the Securities Act and represented by Rule 144A Global Secured Notes have been accepted for clearance through DTC. The CUSIP Numbers, Common Codes and International Securities Identification Numbers (ISIN) for the Securities represented by Rule 144A Global Secured Notes and Regulation S Global Securities are as indicated in the chart "Summary—The Offering—Securities Issued," as applicable.

7. For so long as any of the Securities are listed on the Irish Stock Exchange and the rules of such Exchange shall so require, the Issuer will inform the Irish Stock Exchange and publish a notice in an authorized newspaper, which is expected to be on the Official List, if the ratings assigned to any of the Securities are reduced or withdrawn.

8. The Securities representing the U.S. Subordinated Securities will bear the identification numbers as indicated in the chart "Summary—The Offering—Securities Issued," as applicable.

9. The Issuers do not intend to publish annual reports and accounts. The Indenture, however, requires the Issuers to provide written confirmation to the Trustee on an annual basis that an Event of Default or other matter which is required to be brought to the Trustee's attention has occurred. Copies of such confirmation will be available for inspection at the offices of the Issuer and Co-Issuer and in the City of Houston, Texas at the office of the Trustee and at the office of the paying agent for the Securities in Ireland for so long as the Securities are listed on the Irish Stock Exchange.

10. References to website addresses herein do not form part of the Offering Circular for the purposes of listing the Securities on the Irish Stock Exchange.

UNDERWRITING

Subject to the terms and conditions set forth in the Purchase Agreement, the Issuers, with respect to the Co-Issued Notes, and the Issuer, with respect to the Subordinated Securities, have agreed to sell, on the
Footnote Exhibits - Page 5134

Closing Date, and the Initial Purchaser has agreed to purchase $2,000,000 in Aggregate Outstanding Amount of the Class S Notes, $365,000,000 in Aggregate Outstanding Amount of the Class A Notes, $22,500,000 in Aggregate Outstanding Amount of the Class B Notes, $20,000,000 in Aggregate Outstanding Amount of the Class C Notes, $25,000,000 in Aggregate Outstanding Amount of the Class D Notes, $17,500,000 in Aggregate Outstanding Amount of the Class E Notes and $40,000,000 in Aggregate Outstanding Amount of the Subordinated Securities.

Under the terms and conditions of the Purchase Agreement, the Initial Purchaser is committed to take and pay for all the Securities to be offered by it, if any are taken. Under the terms and conditions of the Purchase Agreement, the Initial Purchaser will be entitled to (a) an underwriting discount on the Securities, and (b) a fixed structuring fee based upon the aggregate principal or notional amount, as applicable, of the Securities. After the Securities are released for sale, the Initial Purchaser may change the offering price and other selling terms. The Initial Purchaser may allow a concession, not in excess of their respective underwriting discounts, to certain brokers or dealers.

The Securities have not been and will not be registered under the Securities Act for offer or sale as part of their distribution and may not be offered or sold within the United States or to, for the account or benefit of, a U.S. Person or a U.S. resident (as determined for purposes of the Investment Company Act, a "U.S. Resident") except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Issuers have been advised by the Initial Purchaser that it proposes to resell the Securities, in each case outside the United States through their agents to Persons that are not U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law. In addition, the Issuers have been advised by the Initial Purchaser that it proposes to resell the Securities to U.S. Persons and in the United States in reliance on Rule 144A or another exemption under the Securities Act, but only to Qualified Institutional Buyers (or, with respect to the U.S. Subordinated Securities, Accredited Investors) purchasing for their own accounts or for the accounts of Qualified Institutional Buyers (or, with respect to the U.S. Subordinated Securities, Accredited Investors) each of which purchasers or accounts is a Qualified Purchaser (or, with respect to the U.S. Subordinated Securities, a Knowledgeable Employee). Notwithstanding the foregoing, in limited circumstances approved by the Initial Purchaser, Subordinated Securities may be sold to Qualified Purchasers for purposes of Section 3(c)(7) of the Investment Company Act who are not Accredited Investors, provided that such purchasers have purchaser representatives (as such term is defined in Regulation S). The offering price and the Initial Purchaser's underwriting discount will be the same for the Regulation S Global Securities, the Rule 144A Global Secured Notes and the U.S. Subordinated Securities, as applicable, within each Class of Securities. Any offer or sale of Rule 144A Global Secured Notes or U.S. Subordinated Securities in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act will be made by brokers-dealers who are registered as such under the Exchange Act. After the Securities are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser.

The Initial Purchaser has acknowledged and agreed that it will not offer, sell or deliver any Securities sold pursuant to Regulation S to, or for the account or benefit of, any U.S. Person or a U.S. Resident as part of their distribution at any time and that the Initial Purchaser will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which they sell Securities pursuant to Regulation S a confirmation or other notice setting forth the prohibition on offers and sales of Securities sold pursuant to Regulation S within the United States or to, for the account or benefit of, any U.S. Person or a U.S. Resident.

With respect to the Securities initially sold pursuant to Regulation S, until the expiration of 40 days after the commencement of the distribution of the offering of Securities by the Initial Purchaser, an offer or sale of such Securities within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A as pursuant to another exemption from registration under the Securities Act.

In connection with the issue of the Securities, the Initial Purchaser (the "Stabilising Manager") or persons acting on behalf of the Stabilising Manager may over-allot Securities (provided that the aggregate

-121-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918355
Footnote Exhibits - Page 5135

principal amount of Securities allotted does not exceed 10% per cent. of the aggregate principal amount of the Securities) or effect transactions with a view to supporting the market price of the Securities at a level higher than that which, might otherwise prevail. However, there is no assurance that the Stabilising Manager (or partners acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the Closing Date and, if begun, may be ended at any time, but it must end on or no later than the earlier of 30 days after the issue date of the Securities and 90 days after the date of the allotment of the Securities.

The Initial Purchaser has represented, warranted and agreed that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) required by it in connection with the issue or sale of any Securities in circumstances in which section 7(1) of FSMA does not apply to the Issuer; and (ii) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by them in relation to the Securities in, from or otherwise involving the United Kingdom.

The Securities may not be offered, sold or transferred to the public in a Member State of the European Economic Area which has implemented the Prospectus Directive (each a "Relevant Member State") prior to the publication of a prospectus in relation to the Securities which has been approved by the competent authority in that Relevant Member State or, where applicable, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, make an offer of Securities to the public in that Relevant Member State at any time: (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of the (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of at least 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this paragraph, the expression "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The Initial Purchaser has acknowledged and agreed that the Securities have not been registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

The Initial Purchaser has agreed that it has not made and will not make any invitation to the public in the Cayman Islands to purchase any of the Securities.

Buyers of Securities pursuant to Regulation S sold by Goldman Sachs International, as the agent of the Initial Purchaser, may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Securities, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuer or the Securities, in any jurisdiction where action for such purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Securities may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.
The Securities are a new issue of securities with no established trading market. The Issuers have been advised by the Initial Purchaser that the Initial Purchaser intends to make a market in the Securities but the Initial Purchaser is not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Securities. See "Risk Factors—Certain Conflicts of Interest".

Material portions of certain Classes of Securities may be purchased by other structured vehicles, which may result in less liquidity in such Classes in the secondary market.

Application has been made to the Irish Financial Services Regulatory Authority, an competent authority under Directive 2003/71/EC, for the Offering Circular to be approved. Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and to trading on its regulated market. There can be no assurance that such listing will be approved or maintained.

The Issuers have agreed to indemnify the Initial Purchaser, the Collateral Manager, the Administrator and the Trustee against certain liabilities, including, but not limited to, liabilities under the Securities Act, or to contribute to payments they may be required to make in respect thereof. In addition, the Issuers have agreed to reimburse the Initial Purchaser for certain of its expenses.

LEGAL MATTERS

Certain legal matters will be passed upon for the Issuers and the Initial Purchaser by McKee Nelson LLP, New York, New York. Certain matters with respect to Cayman Islands corporate law and tax law will be passed upon for the Issuer by Maples and Calder. Certain legal matters will be passed upon for the Collateral Manager by Sidley Austin LLP, New York, New York.
GLOSSARY OF DEFINED TERMS

"Accredited Investor": An "accredited investor" as defined in Regulation D.

"Accrued Interest Collateral Obligation": Any Collateral Obligation whose sale price customarily includes accrued but unpaid interest.

"Accumulation Period": The period prior to the Closing Date during which the Issuer acquires Collateral Obligations.

"Additional Issuance Date": In respect of each subclass of additional Subordinated Securities as set forth under "Description of the Securities—The Indenture—Additional Issuance", the date on which such subclass of Subordinated Securities is issued.

"Administrative Expenses": Amounts (other than any Reserved Expenses) due or accrued with respect to any Payment Date for:

(i) the Trustee pursuant to the Indenture;
(ii) the Collateral Administrator under the Collateral Administration Agreement;
(iii) any fees, costs, or expenses (including without limitation, any indemnity payments but excluding the Collateral Management Fee) under the Collateral Management Agreement;
(iv) the Independent accountants, agents and counsel of the Issuers for fees, including retainers, and expenses;
(v) the Rating Agencies for fees and expenses in connection with rating the Secured Notes, for conducting on-going surveillance of the Secured Note ratings, and for providing and maintaining credit estimates for certain Collateral Obligations included in the Collateral Portfolio;
(vi) the Cash Paying Agent under the Cash Paying Agency Agreement;
(vii) any other Person in respect of any governmental fee, including all filing, registration and annual return fees payable to the Cayman Islands government and registered office fees, charges or taxes (other than withholding taxes);
(viii) without duplication, any Person in respect of any other reasonable fees or expenses of the Issuer (including in respect of any indemnity obligations, if applicable) not prohibited under the Indenture (including, without limitation, any monies owed to the Administrator under the Administration Agreement) and any reports and documents delivered pursuant to or in connection with the Indenture and the Securities;
(ix) any fees, costs or expenses (including, without limitation, any indemnity payments) in connection with any Securities Lending Agreement; and
(x) any fees, costs or expenses (including, without limitation, any indemnity payments, but excluding any Hedge Payment Amount or any applicable termination payments) in connection with any Hedging Agreement.

"Affiliate" or "Affiliated": With respect to a Person, (i) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person or (ii) any other Person who is a director, officer or employee (a) of such Person, (b) of any subsidiary or parent company of such Person or (c) of any Person described in subclause (i) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (i) to vote more than 50% of the securities having ordinary voting power for the election of directors of any such Person or (ii) to direct or cause the direction of the management and
Footnote Exhibits - Page 5138

policies of such Person whether by contrast or otherwise. With respect to the Issuer, this definition shall
exclude the Administrator, its Affiliates and any other special purpose vehicle to which the Administrator is or
will be providing administrative services and/or acting as Share Trustee, as a result solely of the
Administrator acting in such capacity or capacities.

"Aggregate Funded Spread": As of any date of determination, the sum of the products obtained by
multiplying (as applicable):

(i) in the case of each Floating Rate Collateral Obligation (excluding any Defaulted Obligation and any Derivative Interest Obligation to the extent of any non-cash interest and the unfunded portion of any Revolving Credit Facility or Delayed Funding Term Loan) that bears interest at a spread over a London Interbank offered rate-based index, the stated interest rate spread on such Floating Rate Collateral Obligation above such index;

(ii) in the case of each Fixed Rate Collateral Obligation (excluding any Defaulted Obligation and any Derivative Interest Obligation to the extent of any non-cash interest and the unfunded portion of any Revolving Credit Facility or Delayed Funding Term Loan), the excess of the coupon rate on such Fixed Rate Collateral Obligation above LIBOR calculated with respect to the Secured Notes then in effect as of such date (which spread or excess in the case of clause (b) or (c) may be expressed as a negative percentage); by

(iii) the Aggregate Principal Amount of each such Collateral Obligation that is not a Revolving Credit Facility or Delayed Funding Term Loan and the funded portion of each such Revolving Credit Facility or Delayed Funding Term Loan, in each case as of such date.

"Aggregate Interest Reserve Distribution Amount": With respect to any Payment Date, the sum of
all Interest Reserve Distribution Amounts as of such Payment Date; provided that the Aggregate Interest
Reserve Distribution Amount on any Payment Date shall not exceed the Interest Reserve Amount as of such
Payment Date.

"Aggregate Outstanding Amount": When used with respect to any or all of the Securities, (i) the
aggregate principal or notional amount of such Securities Outstanding on the date of determination plus (ii) in
the case of the Class C Notes, the Class D Notes and the Class E Notes, for purposes other than
determining whether a sufficient principal amount of the Class C Notes, the Class D Notes or the Class E
Notes has vested with respect to matters relating to the Indenture or the Collateral Management Agreement,
any related Derivative Interest.

"Aggregate Principal Amount": When used with respect to any or all of the Collateral Obligations,
Eligible Investments or cash, the aggregate of the Principal Balances of such Collateral Obligations, Eligible
Investments or cash on the date of determination.

"Aggregate Underlying Undrawn Amount": At any time of determination, the unfunded portion of
all Revolving Credit Facilities and Delayed Funding Term Loans held by the Issuer at such time.

"Aggregate Unfunded Spread": As of any date of determination, the products obtained by
multiplying (i) for each Revolving Credit Facility or Delayed Funding Term Loan (other than a Revolving
Credit Facility or Delayed Funding Term Loan that is a Defaulted Obligation), the commitment fee and
other facility fee then in effect as of such date and (ii) the uncommitted commitments of each such Revolving Credit
Facility or Delayed Funding Term Loan as of such date.

-125-

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5139

"Applicable Period": For the first Interest Accrual Period, the period from and including the Closing Date to but excluding the first Scheduled Payment Date and for each Interest Accrual Period thereafter, three months (exclusive with respect to the last Applicable Period, the period from and including the immediately preceding Scheduled Payment Date to but excluding the Stated Maturity or the Redemption Date, as applicable).

"Assignment": An interest in a loan acquired directly by way of sale or assignment.

"Bank": The Bank of New York Trust Company, National Association, a limited purpose national banking association with trust powers, but in its individual capacity and not as Trustee, and any successor thereto.

"Bankruptcy Code": The United States Bankruptcy Code, as set forth in Title 11 of the United States Code, as amended.

"Bilateral Risk Obligation": (i) A Collateral Obligation that is loaned pursuant to a Securities Lending Agreement, (ii) a Synthetic Security, (iii) a Participation or (iv) an obligation of a Non-U.S. Obligor organized under the laws of a sovereign jurisdiction, the foreign currency rating of which is below "AA" by S&P.

"Business Day": Any day other than (i) Saturday or Sunday or (ii) a day on which commercial banking institutions are authorized by law, regulation or executive order to close in (a) New York, New York, (b) Houston, Texas, (c) solely with respect to the calculation of U.S.D.R. London, England, and (d) with respect to matters relating solely to the Irish Stock Exchange, Dublin, Ireland.

"Caa/CCC Collateral Obligation": Any Collateral Obligations with a Moody’s Default Probability Rating of “Caa” or lower or with an S&P Rating of “CCC” or lower, it being understood and agreed that notwithstanding any provision of the Indenture, the foregoing definition of “Caa/CCC Collateral Obligation” shall specifically exclude any Defaulted Obligation or Discount Collateral Obligation.

"CDO Security": Any collateralized debt obligation (cashflow or synthetic or a combination thereof), whose underlying collateral consists primarily of bank loans or any other similar collateral.

"Class": All of the Securities having the same priority and the same Stated Maturity.

"Class A Break-even Default Rate": As of any Measurement Date, the maximum percentage of defaults, none of which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined through application by the Collateral Manager of the S&P CDO Monitor, which, after giving effect to S&P’s assumptions on recoveries on defaulted securities and timing of such recoveries and to the Priority of Payments, will result in sufficient funds remaining for the payment of the Class A Notes in full by their Stated Maturity and the timely payment of interest on the Class A Notes.

"Class A Interest Distribution Amount": With respect to any Payment Date, an amount equal to the sum of:

(a) the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period on the Aggregate Outstanding Amount of the Class A Notes as of the first day of such Interest Accrual Period;

(b) to the extent lawful and enforceable, the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period on any unpaid Defaulted Interest relating to the Class A Notes, and

(c) any unpaid Defaulted Interest relating to the Class A Notes.

"Class A Loss Differential": As of any Measurement Date, the rate calculated by subtracting the Class A Scenario Default Rate at such time from the Class A Break-even Default Rate at such time.

Confidential Treatment Requested by Goldman Sachs

GS MISS-E-0019186360
Footnote Exhibits - Page 5140

1069

-127-

<table>
<thead>
<tr>
<th>Footnote Exhibits - Page 5140</th>
</tr>
</thead>
</table>

"Class A Note Interest Amount": As to each Interest Accrual Period, the amount of interest for such Interest Accrual Period payable in respect of each $1,000 principal amount of the Class A Notes.

"Class A Notes": The Class A Floating Rate Notes having the applicable Note Interest Rate and Stated Maturity as set forth under "Summary—The Offering—Securities Issued," including any additional Class A Notes issued as set forth under "Description of the Securities—The Indenture—Additional Issuance".

"Class A Par Value Ratio": On any Measurement Date, the Par Value Ratio as calculated with respect to the Class A Notes.

"Class A Scenario Default Rate": As of any Measurement Date, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with a rating of "AAA" by S&P as determined by application of the S&P CDO Monitor at such time.

"Class A/I Ratio Coverage Ratio": On the Second Determination Date and any subsequent Measurement Date, the Interest Coverage Ratio as calculated with respect to the Class A Notes and the Class B Notes.

"Class A/I Interest Coverage Test": A test satisfied as of the Second Determination Date and any subsequent Measurement Date if the Class A/I Interest Coverage Ratio is equal to or greater than the applicable amount set forth under "Summary—The Offering—Coverage Tests and the Reinvestment Test".

"Class A/I Par Value Ratio": On any Measurement Date, the Par Value Ratio as calculated with respect to the Class A Notes and the Class B Notes.

"Class A/I Par Value Test": A test satisfied as of the Effective Date and any subsequent Measurement Date if the Class A/I Par Value Ratio is equal to or greater than the applicable amount set forth under "Summary—The Offering—Coverage Tests and the Reinvestment Test".

"Class B Break-even Default Rate": As of any Measurement Date, the maximum percentage of defaults which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined through application by the Collateral Manager of the S&P CDO Monitor, which, after giving effect to S&P's assumptions on recoveries on defaulted securities and timing of such recoveries and to the Priority of Payments, will result in sufficient funds remaining for the payment of the Class B Notes in full by their Stated Maturity and the timely payment of interest on the Class B Notes.

"Class B Interest Distribution Amount": With respect to any Payment Date, an amount equal to the sum of:

(a) the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period on the Aggregate Outstanding Amount of the Class B Notes as of the first day of such Interest Accrual Period;

(b) to the extent lawful and enforceable, the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period, on any unpaid Defaulted Interest relating to the Class B Notes; and

(c) any unpaid Defaulted interest relating to the Class B Notes.

"Class B Loss Differential": As of any Measurement Date, the rate calculated by subtracting the Class B Scenario Default Rate at such time from the Class B Break-even Default Rate at such time.

"Class B Note Interest Amount": As to each Interest Accrual Period, the amount of interest for such Interest Accrual Period payable in respect of each $1,000 principal amount of the Class B Notes.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-501918361
Footnote Exhibits - Page 5141

"Class B Notes": The Class B Floating Rate Notes having the applicable Note Interest Rate and Stated Maturity as set forth under "Summary—The Offering—Securities Issued," including any additional Class B Notes issued as set forth under "Description of the Securities—The Indenture—Additional Issuance".

"Class B Scenario Default Rate": As of any Measurement Date an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with a rating of "AA" by S&P as determined by application of the S&P CDO Monitor at such time.

"Class C Break-even Default Rate": As of any Measurement Date, the maximum percentage of defaults which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined through application by the Collateral Manager of the S&P CDO Monitor, which, after giving effect to S&P's assumptions on recoveries on defaulted securities and timing of such recoveries and to the Priority of Payments, will result in sufficient funds remaining for the payment of the Class C Notes in full by their Stated Maturity and the ultimate payment of interest on the Class C Notes.

"Class C Interest Coverage Ratio": On the Second Determination Date and any subsequent Measurement Date, the Interest Coverage Ratio as calculated with respect to the Class C Notes.

"Class C Interest Coverage Test": A test satisfied as of the Second Determination Date and any subsequent Measurement Date if the Class C Interest Coverage Ratio is equal to or greater than the applicable amount set forth under "Summary—The Offering—Coverage Tests and the Reinvestment Test".

"Class C Interest Distribution Amount": With respect to any Payment Date, an amount equal to the sum of:

(a) the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related interest Accrual Period on the Aggregate Outstanding Amount of the Class C Notes as of the first day of such interest Accrual Period;

(b) any Deferred Interest relating to the Class C Notes;

(c) to the extent lawful and enforceable, the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related interest Accrual Period, on any unpaid Defaulted Interest relating to the Class C Notes; and

(d) any unpaid Defaulted interest relating to the Class C Notes.

"Class C Loss Differential": As of any Measurement Date, the rate calculated by subtracting the Class C Scenario Default Rate at such time from the Class C Break-even Default Rate at such time.

"Class C Note Interest Amount": As at each Interest Accrual Period, the amount of interest for such Interest Accrual Period payable in respect of each $1,000 principal amount of the Class C Notes.

"Class C Notes": The Class C Deferrable Floating Rate Notes having the applicable Note Interest Rate and Stated Maturity as set forth under "Summary—The Offering—Securities Issued," including any additional Class C Notes issued as set forth under "Description of the Securities—The Indenture—Additional Issuance".

"Class C Par Value Ratio": On any Measurement Date, the Par Value Ratio as calculated with respect to the Class C Notes.

"Class C Par Value Test": A test satisfied as of the Effective Date and any subsequent Measurement Date if the Class C Par Value Ratio is equal to or greater than the applicable amount set forth under "Summary—The Offering—Coverage Tests and the Reinvestment Test".

128-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918362
Footnote Exhibits - Page 5142

"Class C Scenario Default Rate": As of any Measurement Date an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with a rating of "A" by S&P as determined by application of the S&P CDO Monitor at such time.

"Class D Break-even Default Rate": As of any Measurement Date, the maximum percentage of defaults within the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined through application by the Collateral Manager of the S&P CDO Monitor, which, after giving effect to S&P’s assumptions on recoveries on defaulted securities and timing of such recoveries and to the Priority of Payments, will result in sufficient funds remaining for the payment of the Class D Notes in full by their Stated Maturity and the ultimate payment of interest on the Class D Notes.

"Class D Interest Coverage Ratio": On the Second Determination Date and any subsequent Measurement Date, the interest coverage ratio as calculated with respect to the Class D Notes.

"Class D Interest Coverage Test": A test satisfied as of the Second Determination Date and any subsequent Measurement Date if the Class D Interest Coverage Ratio is equal to or greater than the applicable amount set forth under "Summary—The Offering—Coverage Tests and the Reinvestment Test".

"Class D Interest Distribution Amount": With respect to any Payment Date, an amount equal to the sum of:

(a) the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period on the Aggregate Outstanding Amount of the Class D Notes as of the first day of such Interest Accrual Period;

(b) any Deferred Interest relating to the Class D Notes;

(c) to the extent lawful and enforceable, the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period, on any unpaid Defaulted Interest relating to the Class D Notes, and

(d) any unpaid Defaulted Interest relating to the Class D Notes.

"Class D Loss Differential": As of any Measurement Date, the rate calculated by subtracting the Class D Scenario Default Rate at such time from the Class D Break-even Default Rate at such time.

"Class D Note Interest Amount": As to each Interest Accrual Period, the amount of interest for such Interest Accrual Period payable in respect of each $1,000 principal amount of the Class D Notes.

"Class D Notes": The Class D Deferrable Floating Rate Notes having the applicable Note Interest Rate and Stated Maturity as set forth under "Summary—The Offering—Securities Issued," including any additional Class D notes issued as set forth under "Description of the Securities—The Indenture—Additional Issuance".

"Class D Par Value Ratio": On any Measurement Date, the Par Value Ratio as calculated with respect to the Class D Notes.

"Class D Par Value Test": A test satisfied as of the Effective Date and any subsequent Measurement Date if the Class D Par Value Ratio is equal to or greater than the applicable amount set forth under "Summary—The Offering—Coverage Tests and the Reinvestment Test".

"Class D Scenario Default Rate": As of any Measurement Date, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with a rating of "BBB" by S&P as determined by application of the S&P CDO Monitor at such time.
"Class E Interest Distribution Amount": With respect to any Payment Date, an amount equal to the sum of:

(a) the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period on the Aggregate Outstanding Amount of the Class E Notes as of the first day of such Interest Accrual Period;

(b) any Deferred Interest relating to the Class E Notes;

(c) to the extent lawful and enforceable, the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period, on any unpaid Defaulted Interest relating to the Class E Notes; and

(d) any unpaid Defaulted Interest relating to the Class E Notes.

"Class E Loss Differential": As of any Measurement Date, the rate calculated by subtracting the Class E Scenario Default Rate at such time from the Class E Break-even Default Rate at such time.

"Class E Note Interest Amount": As to each Interest Accrual Period, the amount of interest for such Interest Accrual Period payable in respect of each $1,000 principal amount of the Class E Notes.

"Class E Notes": The Class E Defeasible Floating Rate Notes having the applicable Note Interest Rate and Stated Maturity as set forth under "Description of the Securities—The Indenture—Additional Issuance".

"Class E Par Value Ratio": On any Measurement Date, the Par Value Ratio as calculated with respect to the Class E Notes.

"Class E Par Value Test": A test satisfied as of the Effective Date and any subsequent Measurement Date if the Class E Par Value Ratio is equal to or greater than the applicable amount set forth under "Summary—The Offering—Coverage Tests and the Reinvestment Test".

"Class E Scenario Default Rate": As of any Measurement Date, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with a rating of "BB" by S&P as determined by application of the S&P CDO Monitor at such time.

"Class S Break-even Default Rate": As of any Measurement Date, the maximum percentage of defaults which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined through application by the Collateral Manager of the S&P CDO Monitor, which, after giving effect to S&P's assumptions on recoveries on defaulted securities and timing of such recoveries and to the Priority of Payments, will result in sufficient funds remaining for the payment of the Class S Notes in full by their Stated Maturity and the timely payment of interest on the Class S Notes.

"Class S Interest Distribution Amount": With respect to any Payment Date, an amount equal to:

(a) the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related Interest Accrual Period on the Aggregate Outstanding Amount of the Class S Notes as of the first day of such Interest Accrual Period;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918364
Footnote Exhibits - Page 5144

(b) In the event lawful and enforceable, the aggregate amount of interest accrued, at the applicable Note Interest Rate, during the related interest Accrual Period, on any unpaid Defaulted Interest relating to the Class B Notes; and

c) any unpaid Defaulted interest relating to the Class S Notes.

"Class S Loss Differential": As of any Measurement Date, the rate calculated by subtracting the Class S Scenario Default Rate at such time from the Class S Break-even Default Rate at such time.

"Class B Note Interest Amount": As to each Interest Accrual Period, the amount of interest for such Interest Accrual Period payable in respect of each $100,000 principal amount of the Class S Notes.

"Class S Notes": The Class S Floating Rate Notes having the applicable Note Interest Rate and Stated Maturity as set forth under "Summary—The Offering—Securities Issued", including any additional such Class S Notes issued as set forth under "Description of the Securities—The Indenture—Additional Issuance".

"Class S Principal Distribution Amount": With respect to any Payment Date, the amount set forth on Annex I hereto.

"Class S Scenario Default Rate": As of any Measurement Date an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with a rating of "AAA" by S&P as determined by application of the S&P CDO Monitor at such time.

"Cleanstream": Cleanstream Banking Société Anonyme, a corporation organized under the laws of the Grand Duchy of Luxembourg.

"Closing Date": January 16, 2007.

"Co-Issued Notes": Collectively, the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"Collateral": All money, instruments, investment property and other property and rights and all Proceeds thereof that have been granted by the Issuer to the Trustee under the Indenture. For the avoidance of doubt, Collateral will not include any Warehouse Accrued Interest.

"Collateral Account": The segregated trust account or accounts into which the Issuer shall, from time to time, deposit Collateral.

"Collateral Administration Agreement": An agreement dated as of the Closing Date, among the Issuer, the Collateral Manager and the Collateral Administrator.

"Collateral Administrator": The Bank, solely in its capacity as Collateral Administrator under the Collateral Administration Agreement, until a successor Person shall have become the Collateral Administrator pursuant to the applicable provisions of the Collateral Administration Agreement, and thereafter "Collateral Administrator" shall mean such successor Person.

"Collateral Interest Amount": As of any date of determination, on amount, determined in accordance with the Indenture, equal to (i) the aggregate amount of Interest Proceeds that have been received by the Issuer or are expected by the Collateral Manager to be received by the Issuer (other than interest Proceeds with respect to Collateral Obligations that pay interest less frequently than quarterly) in each case during the Due Period in which such date of determination occurs plus (ii) the Aggregate interest Reserve Distribution Amount for the immediately following Payment Date, minus (iii) the amounts payable in respect of subclauses (b)(i), (b)(ii), (b)(iii), (b)(iv) and (v) of "Description of the Securities—Priority of Payments—Interest Proceeds" on the following Payment Date.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918365
"Collateral Management Agreement": An agreement dated as of the Closing Date, between the issuer and the Collateral Manager relating to the Collateral Manager’s performance on behalf of the issuer of certain investment management duties with respect to the collateral, as amended from time to time in accordance with its terms and the terms of the indenture.

"Collateral Portfolio": On any date of determination, (i) all Pledged Obligations and all cash held in any Issuer Accounts (excluding Eligible Investments and cash constituting in each case Interest Proceeds), (ii) after the occurrence of an event of default, as such term is defined under a Securities Lending Agreement, Securities Lending Collateral deposited by the related Securities Lending Counterparty in the Securities Lending Account (but not to exceed the amount of the Securities Lending Counterparty’s obligations owed to the Issuer) and (iii) the amount by which the amounts deposited in the Synthetic Security Collateral Accounts exceed the amounts owed by the Issuer to Synthetic Security Counterparties.

"Controlling Class": The Class S Notes and the Class A Notes (voting together as a single class), until the Class S Notes and the Class A Notes have been paid in full, then the Class B Notes until the Class B Notes have been paid in full, then the Class C Notes until the Class C Notes have been paid in full, then the Class D Notes until the Class D Notes have been paid in full, and then the Class E Notes until the Class E Notes have been paid in full, and then the Subordinated Securities.

"Corporate Family Rating": With respect to any Collateral Obligation and the issuer or obligor thereof, (i) as of any date of determination, the "corporate family rating" as published by Moody’s as of such date of determination, if applicable and available; or (ii) if Moody’s has not published a "corporate family rating" for the issuer or obligor of the Collateral Obligation as of such date of determination, but has published a "corporate family rating" for a parent company or another affiliate under the management control of the entity to which it is assigned, such rating.

"Credit Improved Criteria": With respect to any Collateral Obligation, the occurrence of any of the following:

(i) if such Collateral Obligation has been upgraded or put on a watch list for possible upgrade above the rating in effect on the date on which such Collateral Obligation was purchased by the Issuer by either of the Rating Agencies; or

(ii) if such Collateral Obligation is a Structured Finance Security, if it has experienced an increase of at least 1.00% in its par value rating and an increase of at least 0.50% of the weighted average rating factor after the date on which such Structured Finance Security was purchased by the Issuer or (b) the issuer thereof has since faild (1) failing any of its coverage tests, which failure must have occurred after the date on which such Structured Finance Security was purchased by the Issuer, (b) begun pausing all of its coverage tests or (c) paying interest in kind (which payment in kind must have occurred after the date on which such Structured Finance Security was purchased by the Issuer), (b) began making interest payments in cash or

(iii) if such Collateral Obligation is a Collateral Obligation other than a Structured Finance Security, (x) in the case of a loan, (1) the interest rate spread over the applicable reference rate for such Collateral Obligation has been decreased since the date of purchase by 3.25% or more due to an improvement in the related borrower’s financial ratios or financial results in accordance with the underling Collateral Obligation or (2) the percentage change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination is either more positive, or less negative, as the case may be, than 0.50% plus the percentage change in the average price of, or average price specified in, an Eligible Loan Index in respect of the same period or (y) in the case of a bond, such Collateral Obligation changed in price during the period from the date on which it was purchased by the Issuer to the date of determination by a percentage either more positive, or less negative, as the case may be, than the percentage change in the Merrill Lynch High Yield Index, Bloomberg Sider JIOA, Average Price Option plus 3.25%, over the same period.
Footnote Exhibits - Page 5146

"Credit Improved Obligation": Any Collateral Obligation that has significantly improved in credit quality (as determined by the Collateral Manager in its sole judgment, which judgment shall not be subject to question as a result of subsequent events).

"Credit Risk Criteria": With respect to any Collateral Obligation, the occurrence of any of the following:

(i) if such Collateral Obligation has been downgraded or put on a watch list for possible downgrade below the rating in effect on the date on which such Collateral Obligation was purchased by the Issuer by either of the Rating Agencies; or

(ii) if such Collateral Obligation is a Structured Finance Security (a) it has experienced a decrease of at least 1.50% in its par value ratio and a decrease of at least 5.00% of the weighted average rating factor after the date on which such Structured Finance Security was purchased by the Issuer or (b) the issuer thereof has since that date passed all of its coverage tests (which such issuer must have been passing on the date on which such Structured Finance Security was purchased by the Issuer), begun selling any of its coverage tests or (2) making interest payments in cash (which payments in cash such issuer must have been making on the date on which such Structured Finance Security was purchased by the Issuer), begun paying interest "in kind"; or

(iii) if such Collateral Obligation is a Collateral Obligation other than a Structured Finance Security, (a) in the case of a loan, (1) the interest rate spread over the applicable reference rate for such Collateral Obligation has been increased since the date of purchase by 0.25% or more due to a deterioration in the related borrower’s financial ratios or financial results in accordance with the underlying Collateral Obligation or (2) the percentage change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination is either more negative, or less positive, as the case may be, than 0.50% below the percentage change in the average price of, or average price specified in, an Eligible Loan Index in respect of the same period or (v) in the case of a bond, such Collateral Obligation changed in price during the period from the date on which it was purchased by the Issuer to the date of determination by a percentage either more negative, or less positive, as the case may be, than the percentage change in the Merrill Lynch High Yield index, Bloomberg HECO Average for Option Less 3.00%, over the same period.

"Credit Risk Obligation": Any Collateral Obligation that has a significant risk of declining in credit quality or, with the lapse of time, becoming a Defaulted Obligation (as determined by the Collateral Manager in its sole judgment, which judgment shall not be subject to question as a result of subsequent events).

"Current Pay Obligation": A Collateral Obligation (other than a DIP Loan, a Structured Finance Security or a Finance Loan):

(i) as to which no interest or principal payments are due and unpaid;

(ii) that pays interest at least quarterly;

(iii) that would satisfy subclauses (i), (ii) or (v) of the definition of "Defaulted Obligation" (without giving effect to the proviso in subclauses (i), (ii) and (v) relating to Current Pay Obligations);

(iv) that has a rating of at least "Ca4" by S&P's and Moody's; or

(v) if the issuer of such Collateral Obligation is subject to a bankruptcy proceeding, a bankruptcy court has authorized the payment of interest, principal and/or amounts that would constitute adequate protection to the lender due and payable on such Collateral Obligation.

-133-

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5147

A Collateral Obligation may not be designated as a Current Pay Obligation if doing so would cause more than 5.0% in Aggregate Principal Amount of the Collateral Portfolio to consist of Current Pay Obligations. For the avoidance of doubt, as specified in subclause (viii) of the definition of "Defaul ted Obligation," the portion of any Collateral Obligation that would otherwise satisfy the definition of "Current Pay Obligation" but the inclusion of which would cause more than 5.0% in Aggregate Principal Amount of the Collateral Portfolio to consist of Current Pay Obligations shall be treated as a Defaul ted Obligation.

"Current Portfolio": At any time, the Collateral Portfolio held by the Issuer.

"Defaul ted Hedge Termination Payment": Any termination payment required to be made by the Issuer to a Hedge Counterparty pursuant to a Hedge Agreement as a result of an "Event of Default" with respect to which the Hedge Counterparty is the "Defaul ted Party" or a "Termination Event" (other than "Illegality" or "Tax Event") (each as defined in the Hedge Agreement) with respect to which the Hedge Counterparty is the sole "Affected Party" or with respect to a termination resulting from a Downgrade Terminating Event.

"Defaul ted Interest": Any interest due and payable in respect of any Class A Note or Class B Note (or in respect of any Class C Note after the Class A Notes and the Class B Notes have been paid in full, or in respect of any Class D Note, after the Class A Notes, the Class B Notes and the Class C Notes have been paid in full, or in respect of any Class E Note, after the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been paid in full), which is not punctually paid or duly provided for on the applicable Payment Date or at the Stated Maturity, as the case may be.

"Defaul ted Obligation": Any Collateral Obligation shall constitute a "Defaul ted Obligation" if:

(i) there has occurred and is continuing, (x) without regard to any waiver, for the lesser of five Business Days and any applicable grace period (as the case may be), the "Cure Period," a default with respect to the payment of interest or principal or (y) any other default under the related underlying instrument in respect of such Collateral Obligation and an acceleration of such Collateral Obligation by the holders thereof, provided, however, that, (A) for purposes of clause (x) above, a Collateral Obligation shall constitute a Defaul ted Obligation only until such default has been cured or the existence of such default has been eliminated in connection with a restructuring and a Cure Period shall only be available if the Collateral Manager has notified the Trustee in writing that, in the judgment of the Collateral Manager, such default resulted from non-credit related causes and (B) for purposes of clause (y) above, a Collateral Obligation shall constitute a Defaul ted Obligation only until such default has been cured or waived;

(ii) any bankruptcy, insolvency or reorganization proceeding has been initiated in connection with the issuer of such Collateral Obligation and is unstayed and undismissed, provided that if such proceeding is an involuntary proceeding, the condition of the subclause (iii) will not be satisfied until the earliest of the following: (I) the issuer contests to such proceeding, (II) an order for relief under the Bankruptcy Code, or any substantially similar order under a proceeding not taking place under the Bankruptcy Code, has been entered, and (III) such proceeding remains unstayed and undismissed for 90 days, provided, further, that a Current Pay Obligation or a DIP Loan shall not constitute a Defaul ted Obligation under this subclause (iii) notwithstanding such bankruptcy, insolvency or reorganization proceeding, or (y) to which there has been proposed or effected any distressed exchange or other distressed debt restructuring where the issuer of such Collateral Obligation has offered the debt holders a new security or package of securities that, in the judgment of the Collateral Manager, amounts to a diminished financial obligation, provided that a Collateral Obligation that was determined to be a Defaul ted Obligation pursuant to this subclause (iii) shall not be considered to be a Defaul ted Obligation if, as a result of subsequent events, the new security or package of securities received in connection with any distressed exchange or restructuring, in the judgment of the Collateral Manager, no longer amounts to a diminished financial obligation;

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5148

(iii) the Collateral Manager has actual knowledge that the Issuer thereof is in default as to payment of principal and/or interest on another obligation (and such default has not been cured), but only if one of the following conditions (i) or (ii) is met: (i) both such other obligation and the Collateral Obligation are unsecured obligations with the same recourse and the other obligation is senior to or pari passu with the Collateral Obligation in right of payment or (ii) all of the following conditions (a), (b), and (c) are satisfied: (a) both such other obligation and the Collateral Obligation are full recourse secured obligations secured by identical collateral, (b) the security interest securing the other obligation is senior to or pari passu with the security interest securing the Collateral Obligation and (c) the other obligation is senior to or pari passu with the Collateral Obligation in right of payment; provided that a Collateral Obligation shall not constitute a Defaulted Obligation under this subclause (iii) if it is a Current Pay Obligation or a DIP Loan, as the case may be;

(iv) (1) such Collateral Obligation (v) has been rated “D” or “SD” (or, with respect to a Collateral Obligation that is a Structured Finance Security, “CC” or below) by S&P or (a) is a Structured Finance Security rated “Ca” or below by Moody’s or (2) S&P has withdrawn its rating on such Collateral Obligation for negative credit related reasons (and immediately prior to such withdrawal by S&P, such Collateral Obligation was rated “CC” or below by S&P) or provided that (A) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to subclause (i) above if the S&P Rating Condition has been satisfied and (B) a Collateral Obligation shall not constitute a Defaulted Obligation under this subclause (iv) if it is a Current Pay Obligation or a DIP Loan, as the case may be;

(v) such Collateral Obligation is a Synthetic Security, and (1) there has occurred a “credit event” (as such term is defined in the related Synthetic Security) with respect to a Reference Obligation or a Reference Coprincipal specified in such Synthetic Security, or (2) the related Synthetic Security Counterparty fails to make payments to the Issuer in accordance with the terms of such Synthetic Security;

(vi) such Collateral Obligation is an obligation that is delivered to the Issuer under a Synthetic Security that does not satisfy the definition of “Collateral Obligation”;

(vii) such Collateral Obligation is a Participated and the related Participating Institution fails to make payments to the Issuer in accordance with the terms of such Participated;

For the avoidance of doubt, the Collateral Manager shall be deemed to have knowledge of all information of which the analysts and portfolio managers involved in the management of the Collateral Portfolio under the Collateral Management Agreement have actual knowledge.

Notwithstanding the foregoing definition, the Collateral Manager may declare any Collateral Obligation to be a Defaulted Obligation if, in the Collateral Manager’s sole judgment, the credit quality of the Issuer of such Collateral Obligation (or, in the case of a Synthetic Security, the credit quality of the Synthetic Security Counterparty or Reference Coprincipal or Reference Obligor with respect thereto, as applicable) has significantly deteriorated such that there is a reasonable expectation of payment default as of the next scheduled payment date with respect to such Collateral Obligation, provided that a Collateral Obligation that has been declared to be a Defaulted Obligation pursuant to this paragraph, shall cease to be considered as a Defaulted Obligation if, in the Collateral Manager’s sole judgment, the circumstances supporting such declaration no longer exist.

“Deferrable Interest Obligation”: Any Collateral Obligation that is a debt security or a loan (including a Finance Lease) that is permitted, at the time of its purchase or commitment to purchase, under its terms in certain (but not all) circumstances to make interest payments due therefore, which are otherwise payable in cash, on a deferred basis “in kind”.

Confidential Treatment Requested by Goldman Sachs
GS MSS-E-001918369
"Delayed Funding Term Loan": A loan that requires one or more future advances to be made to the borrower but which, once all such advances have been made, has the characteristics of a term loan; provided that such loan shall only be considered a Delayed Funding Term Loan for so long as any future funding obligations remain in effect and only with respect to any portion which constitutes a future funding obligation.

"Deliverable Obligation": A debt obligation or other security that is delivered to the issuer upon the occurrence of certain "credit events" under a Synthetic Security (if physical settlement is permitted thereunder) that satisfies the definition of "Collateral Obligation" at the time it is delivered to the issuer, except that such debt obligation or other security (i) may be a Defeasible Obligation or a Credit Risk Obligation at the time delivered to the issuer and (ii) does not have to satisfy the requirements set forth in subclause (f) of the definition of "Collateral Obligation".

Notwithstanding any provision to the contrary contained herein, the issuer may accept the delivery of a Deliverable Obligation that does not meet the requirements set forth in the definition of "Deliverable Obligation" if (i) the terms of the related Synthetic Security otherwise satisfy the definition of "Deliverable Obligation" as of the time it is purchased by or entered into by the issuer and (ii) it would be impractical or impossible for the Synthetic Security Counterparty to deliver a Deliverable Obligation that satisfies the requirements set forth in the definition of "Deliverable Obligation" and cash settlement is not permitted; provided, however, the issuer may accept a Deliverable Obligation that does not meet the requirements of this definition (a "Substitute Deliverable Obligation"). Notwithstanding the foregoing, if the Collateral Manager has obtained written advice of a nationally recognized tax counsel experienced in such matters that the issuer's taking delivery of the "deliverable obligation" will not cause the issuer to be treated as engaged in a United States trade or business for United States Federal income tax purposes or to otherwise be subject to tax on a net income basis and that payments on such "deliverable obligation" are not subject to withholding tax. The Issuer shall notify S&P of the acquisition of any Substitute Deliverable Obligation.

"Determination Date": With respect to a Payment Date, the last Business Day of the immediately preceding Due Period.

"DIP Loan": A loan made to a debtor in possession as described in Section 1107 of the Bankruptcy Code (as a trustee if appointment of a trustee has been ordered) that is:

(i) paying interest on a current basis; and

(ii) approved by an order of the United States Bankruptcy Court, the United States District Court or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding, which order must provide that:

1. such loan is secured by liens on the debtor's otherwise unencumbered assets pursuant to either section 364(c) or 364(d) (or any combination thereof) of the Bankruptcy Code;

2. such loan is secured by liens of equal or senior priority on property of the debtor's estate that is otherwise subject to a lien pursuant to either section 364(c) or 364(d) (or any combination thereof) of the Bankruptcy Code;

3. such loan is secured by junior liens on the debtor's encumbered assets and is fully secured based upon a current valuation or appraisal report;

4. if such loan or any portion thereof is unsecured, the repayment of such loan retains priority over all other administrative expenses pursuant to either section 364(c) or 364(d) (or any combination thereof) of the Bankruptcy Code;

provided, however, that (a)(i) such loan shall be rated by S&P or S&P shall have provided in writing an estimated rating of such loan to the issuer; and (ii) such loan shall be explicitly rated by Moody's or

Confidential Treatment Requested by Goldman Sachs

GS ISS-E-0021918370
Moody's shall have provided in writing an estimated rating of such loans to the Issuer, or (b) in either case, the Collateral Manager has applied for such rating within five Business Days of its purchase of the loan;

provided further, that if such loan or any portion thereof is unsecured, (a) either (i) the acquisition of such loan shall be subject to the satisfaction of the Moody's Rating Condition or (ii) such loan must have (i) a rating from Moody's of at least "CaA2" and a market value of at least 85% of par or (ii) a rating from Moody's of at least "CaA2" and a market value of at least 85% of par and, in the case of any rating of under this clause (i), such rating must not be on watch for possible downgrade by Moody's, and (b) the acquisition of such loan shall be subject to the satisfaction of the S&P Rating Condition.

If the DIP Loan has an S&P Rating pursuant to (v)(2)(a) or (v)(2)(b) of the definition thereof, then the Issuer (or the Collateral Manager on behalf of the Issuer), upon receipt thereof, shall cause to be forwarded to S&P any notice of rediscouraging or amendments relating to any DIP Loans held by the Issuer.

"Discount Collateral Obligation": A Collateral Obligation:

(i) that is purchased at a price of less than 80% of par if the Collateral Obligation is a loan and has a Moody's Rating of "B3" or higher (including a DIP Loan and a Security that has a Reference Obligation that is a loan that, at the time of the purchase of such Synthetic Security, has a Market Value of less than 85% of the principal balance of the Reference Obligation as defined under such Synthetic Security and has a Moody's Rating of "B3" or higher);

(ii) that is purchased at a price of less than 65% of par if the Collateral Obligation is a loan and has a Moody's Rating of "CaA1" or lower (including a DIP Loan and a Security that has a Reference Obligation that is a loan that, at the time of the purchase of such Synthetic Security, has a Market Value of less than 85% of the principal balance of the Reference Obligation as defined under such Synthetic Security and has a Moody's Rating of "CaA1" or lower).

(iii) that is purchased at a price of less than 80% of par if the Collateral Obligation is a bond and has a Moody's Rating below "B3" (including a Security that has a Reference Obligation that is a bond that, at the time of the purchase of such Synthetic Security, has a Market Value of less than 85% of the principal balance of the Reference Obligation as defined under such Synthetic Security and has a Moody's Rating below "B3")

(iv) that is purchased at a price of less than 75% of par if the Collateral Obligation is a bond and has a Moody's Rating of "B3" or higher (including a Security that has a Reference Obligation that is a bond that, at the time of the purchase of such Synthetic Security, has a Market Value of less than 75% of the principal balance of the Reference Obligation as defined under such Synthetic Security and has a Moody's Rating of "B3" or higher);

(v) that is purchased at a price of less than 75% of par if the Collateral Obligation is a Security and has a Moody's Rating of "B3" or higher (including a Security that has a Reference Obligation that is a Security that, at the time of the purchase of such Synthetic Security, has a Market Value of less than 75% of the principal balance of the Reference Obligation as defined under such Synthetic Security and has a Moody's Rating of "B3" or higher); or

provided, however, that with respect to any Measurement Date on or after the 30th consecutive day on which the Market Value of a Discount Collateral Obligation (including for the avoidance of doubt, the Market Value of a Reference Obligation with respect to a Synthetic Security that is a Discount Collateral Obligation) has been equal to or greater than 90% of par or, in the case of a Synthetic Security, the principal balance or notional amount of the Reference Obligation as defined under such Synthetic Security, such Collateral Obligation will cease to be a Discount Collateral Obligation.

"Disposition Proceeds": Proceeds received with respect to sales of Collateral Obligations, Eligible Investments or Equity Securities and the termination of any Hedge Agreement, in each case, net of reasonable out-of-pocket expenses and disposition costs in connection with such sales.

-137-
Footnote Exhibits - Page 5151

"Distribution": Any payment of principal or interest on any dividend, premium or fee payment made on, or any other distribution in respect of, a security or obligation.

"Diversity Score": A single number that indicates Collateral concentration in terms of both issuer and industry concentration. The Diversity Score for the Collateral Obligations is calculated by summing each of the Industry Diversity Scores, which are calculated as follows:

(i) An "Obligor Par Amount" is calculated for each obligor represented in the Collateral Obligations by summing the Principal Balance of all Collateral Obligations in the Collateral issued by that obligor.

(ii) An "Average Par Amount" is calculated by summing the Obligor Par Amounts and dividing by the number of obligors represented.

(iii) An "Equivalent Unit Score" is calculated for each obligor by taking the lesser of (A) one and (B) the Obligor Par Amount for each obligor divided by the Average Par Amount.

(iv) An "Aggregate Industry Equivalent Unit Score" is then calculated for each of the Moody's Industry Category groups by summing the Equivalent Unit Scores for each obligor in the industry.

(v) An "Industry Diversity Score" is then established by reference to the Diversity Score Table shown below for the related Aggregate Industry Equivalent Unit Score: provided that if any Aggregate Industry Equivalent Unit Score falls between any two such scores then the applicable Industry Diversity Score will be the lower of the two Industry Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Score, an affiliate of an obligor that is in a different industry from such obligor shall be treated as a separate obligor from such obligor if such treatment satisfies the Moody's Rating Condition.

In the event Moody's modifies its industrial classification groups, the Collateral Manager may elect to have each Collateral Obligation reallocated among such modified industry classification groups for purposes of determining the Industry Diversity Score and the Diversity Score: provided that (i) the Collateral Manager shall have provided written notice of such election to Moody's, the Trustee and the Collateral Administrator and (ii) the Moody's Rating Condition has been satisfied.

### Diversity Score Table

<table>
<thead>
<tr>
<th>Aggregate Industry Equivalent Unit Score</th>
<th>Industry Diversity Score</th>
<th>Aggregate Industry Equivalent Unit Score</th>
<th>Industry Diversity Score</th>
<th>Aggregate Industry Equivalent Unit Score</th>
<th>Industry Diversity Score</th>
<th>Industry Diversity Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
</tr>
<tr>
<td>0.1000</td>
<td>0.1000</td>
<td>0.1000</td>
<td>0.1000</td>
<td>0.1000</td>
<td>0.1000</td>
<td>0.1000</td>
</tr>
<tr>
<td>0.2000</td>
<td>0.2000</td>
<td>0.2000</td>
<td>0.2000</td>
<td>0.2000</td>
<td>0.2000</td>
<td>0.2000</td>
</tr>
<tr>
<td>0.3000</td>
<td>0.3000</td>
<td>0.3000</td>
<td>0.3000</td>
<td>0.3000</td>
<td>0.3000</td>
<td>0.3000</td>
</tr>
<tr>
<td>0.4000</td>
<td>0.4000</td>
<td>0.4000</td>
<td>0.4000</td>
<td>0.4000</td>
<td>0.4000</td>
<td>0.4000</td>
</tr>
<tr>
<td>0.5000</td>
<td>0.5000</td>
<td>0.5000</td>
<td>0.5000</td>
<td>0.5000</td>
<td>0.5000</td>
<td>0.5000</td>
</tr>
<tr>
<td>0.6000</td>
<td>0.6000</td>
<td>0.6000</td>
<td>0.6000</td>
<td>0.6000</td>
<td>0.6000</td>
<td>0.6000</td>
</tr>
<tr>
<td>0.7000</td>
<td>0.7000</td>
<td>0.7000</td>
<td>0.7000</td>
<td>0.7000</td>
<td>0.7000</td>
<td>0.7000</td>
</tr>
<tr>
<td>0.8000</td>
<td>0.8000</td>
<td>0.8000</td>
<td>0.8000</td>
<td>0.8000</td>
<td>0.8000</td>
<td>0.8000</td>
</tr>
<tr>
<td>0.9000</td>
<td>0.9000</td>
<td>0.9000</td>
<td>0.9000</td>
<td>0.9000</td>
<td>0.9000</td>
<td>0.9000</td>
</tr>
<tr>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs: QS MBS-E-001918372
<table>
<thead>
<tr>
<th>Aggregate Industry Equivalent Unit Score</th>
<th>Industry Diversity Score</th>
<th>Aggregate Industry Equivalent Unit Score</th>
<th>Industry Diversity Score</th>
<th>Aggregate Industry Equivalent Unit Score</th>
<th>Industry Diversity Score</th>
<th>Aggregate Industry Equivalent Unit Score</th>
<th>Industry Diversity Score</th>
</tr>
</thead>
</table>

"Dollar" or "$": A dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for all debts, public and private.

"DTC": The Depository Trust Company, its nominees, and their respective successors.

Due Period": With respect to any Payment Date, the period commencing on the day immediately following the seventh Business Day prior to the preceding Payment Date (or in the case of the Due Period relating to the first Payment Date, beginning on the Closing Date and ending on (and including) the seventh Business Day prior to such Payment Date (or, in the case of a Due Period that is applicable to the Payment Date relating to the Stated Maturity of any Security or a Redemption Date, ending on (and including) the Business Day immediately preceding such Payment Date).

"Effective Date". The earlier of (i) the date designated by the Collateral Manager by notice to the Trustee pursuant to the Indenture and (ii) the Business Day immediately preceding the Payment Date in August 2007.

"Effective Date Ratings Downgrade Event": The event that results from (i) the reduction or withdrawal of the initial ratings assigned to the Secured Notes by any of the Rating Agencies by the Effective Date of (ii) the failure of the Issuer (or the Collateral Manager on behalf of the Issuer) to obtain from the Rating Agencies confirmation of the initial ratings of such Secured Notes by the Effective Date, provided that (A) in the case of (i) and with respect to Moody's only, the Issuer shall not be considered to have failed to obtain such confirmation; if all of the Collateral Quality Tests (other than the S&P CDO Monitor Test), the Par Value Tests, the Minimum Par Value Ratio and the Concentration Limitations were satisfied as of the
Footnote Exhibits - Page 5153

Effective Date; provided that such deemed confirmation from Moody's shall no longer be effective (and thereby an Effective Date Ratings Downgrade Event will be deemed to have occurred) if the Issuer has failed to deliver to Moody's the accountant's certificate required to be delivered under the Indenture, and (III) the Issuer (or the Collateral Manager on behalf of the Issuer) shall have made the request (and delivered all the necessary information) to S&P no later than 30 days prior to the Effective Date.

"Effective Spread": With respect to any Floating Rate Collateral Obligation, the current per annum rate at which it pays interest in excess of three-month LIBOR or, if such Floating Rate Collateral Obligation bears interest based on a non-LIBOR based floating rate index, the Effective Spread shall be the then-current base rate applicable to such Floating Rate Collateral Obligation plus the rate at which such Floating Rate Collateral Obligation pays interest in excess of such base rate minus three-month LIBOR, which number may be less than zero.

"Eligibility Criteria": The requirements specified in subclause (i) through (xviii) of the definition of "Collateral Obligation" in "Summary—Collateral Obligations".

"Eligible Investment": Any Dollar-denominated investment that, at the time it, or evidence of it, is delivered to the Trustee directly or through a Clearing Corporation, Securities Intermediary, bilevel or through book-entry crediting to a securities account in the name of, or under the "control" (as defined in Section 8-106 of the UCC) of, the Trustee, is one or more of the following obligations or securities:

(i) direct Registered debt obligations of, and Registered debt obligations the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States of America or any agency or instrumentality of the United States of America or the obligations of which are expressly backed by full faith and credit of the United States of America;

(ii) demand and time deposits in, certificates of deposit of, or banker's acceptances issued by any depository institution or trust company incorporated under the laws of the United States of America (including the Bank) or any state thereof, which depository institution or trust company is subject to supervision and examination by federal or state authorities, so long as the commercial paper and/or the debt obligations of such depository institution or trust company are of at least "Aa3" by Moody's and "AAA" by S&P and in the case of long-term senior unsecured debt obligations, or "P-1" by Moody's and "A-1+" by S&P in the case of commercial paper, time deposits and short-term debt obligations, provided that in the case of commercial paper, time deposits and short-term debt obligations with a maturity of 91 days or less, at the time of such investment, the Issuer thereof must have been assigned a rating of at least "A1" by Moody's; provided, further, that in the case of commercial paper and short-term debt obligations with a maturity of longer than 91 days, at the time of such investment, the Issuer thereof must have been assigned a rating of at least "A3" by Moody's and "AAA" by S&P and; provided, further, that any investment in commercial paper of banker's acceptances shall not have a maturity in excess of 183 days;

Confidential Treatment Requested by Goldman Sachs
rating of "P-1" by Moody's and at least "A-1" by S&P, does not at such time exceed 20% of the Aggregate Outstanding Amount of the Secured Notes; provided that if such repurchase obligation has a maturity of 91 days or less, at the time of such investment, the obligor thereunder must also have been assigned a long-term credit rating of at least "A1" by Moody's; provided that if such repurchase obligation has a maturity of longer than 91 days, at the time of such investment, the obligor thereunder must also have been assigned a long-term credit rating of at least "Aa3" by Moody's and "AAA" by S&P, respectively; provided, further, that the value of the securities transferred by the obligor under any such repurchase agreement must equal or exceed the proceeds received by the obligor and provided that no such repurchase agreement shall extend for a term in excess of 183 days.

(v) Registered debt securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of (i) the United States of America or (ii) any state thereof, which Registered debt securities have a credit rating of at least "Aa3" by Moody's and "AAA" by S&P, in the case of long-term senior unsecured debt obligations, and "P-1" by Moody's and "A-1+" by S&P in the case of commercial paper and short-term debt obligations, at the time of such investment or contractual commitment providing for such investment (except that investments with a term not exceeding 30 days may be made in Registered debt securities having a short term credit rating of "P-1" by Moody's and at least "A-1+" by S&P, provided that the amount of such Registered debt securities, when combined with the amount of all other Eligible Investments that have a short term credit rating of "P-1" by Moody's and at least "A-1+" by S&P, does not at such time exceed 20% of the Aggregate Outstanding Amount of the Secured Notes); and provided, further, that in the case of commercial paper and short-term debt obligations, at the time of such investment or contractual commitment providing for such investment, the issuer thereof has a rating of at least "Aa3" by Moody's with respect to such issuer's senior unsecured debt obligations;

(vi) commercial paper (including, without limitation, any asset-backed commercial paper) or other short-term debt obligations of a corporation, partnership, limited liability company or trust, or any branch or agency thereof, principally located, incorporated or otherwise located in the United States of America or any of its territories, such commercial paper or other short-term obligations (b) having been assigned at the time of such investment a rating of "P-1" by Moody's and "A-1+" by S&P (except that investments with a term not exceeding 30 days may be made in commercial paper or other short-term debt obligations having a short term credit rating of "P-1" by Moody's and at least "A-1+" by S&P, provided that the amount of investments in such commercial paper and short-term obligations, when combined with the amount of (a) all other Eligible Investments entered into with institutions that have a short term credit rating of "P-1" by Moody's and at least "A-1+" by S&P and (b) all other Eligible Investments that have a short term credit rating of "P-1" by Moody's and at least "A-1+" by S&P, does not at such time exceed 20% of the Aggregate Outstanding Amount of the Secured Notes), and (c) being Registered and either (i) are interest bearing or (ii) are sold at a discount from the face amount thereof and have a maturity of not more than 183 days from their date of issuance, provided that if such debt security has a maturity of 91 days or less, at the time of such investment, the issuer thereof must also have been assigned a long-term senior unsecured rating of at least "A1" by Moody's; and provided, further, that if such debt security has a maturity of longer than 91 days, at the time of such investment, the issuer thereof must also have been assigned a long-term senior unsecured rating of at least "Aa3" by Moody's and "AAA" by S&P; and

(vi) non-U.S. money market funds which have, at the time of such reinvestment, a credit rating of "Aa3" and "MR-1" by Moody's and "A2" and "AAA(NR-1)" by S&P, and, in each case, matures (giving effect to any applicable grace period) no later than the second Business Day (or, in the case of direct Registered debt obligations described in subdivision (b) above, no later than one Business Day) prior to the Payment Date next following the Due Period in which the date of investment occurs, unless such Eligible Investment is issued by the Banks, in which event such Eligible Investment may mature (giving effect to any applicable grace period) on the Business Day preceding such Payment Date.
Footnote Exhibits - Page 5155

provided, however, that Eligible Investments shall not include any mortgage-backed security, interest-only security, any security purchased at a price in excess of 100% of par, any security that is the subject of an Offer other than an offer of publicly registered securities with equal or greater face value and substantially identical terms issued in exchange for securities issued under Rule 144A or a Permitted Offer, any security that is subject to withholding or similar taxes unless the issuer or obligor thereof is required to make "gross-up" payments that cover the full amount of such taxes on an after-tax basis or any security whose repayment is subject to substantial non-credit-related risk as determined by the Collateral Manager in its sole judgment (which judgment shall not be subject to question as a result of subsequent events); and provided, further, that the maturity of an investment shall be the date on which the holder of such a security will put (at par) the security to the issuer thereof for redemption if each put (at par) is either to the issuer of such security or to another entity rated "A-1" by Moody's and "A-1" by S&P. Eligible Investments may include those investments with respect to which the Trustee, the Bank or the Collateral Manager or an Affiliate of the Trustee, the Bank or the Collateral Manager as an obligor or provider of services. As used in this definition, ratings may not include ratings with a "1" "p." "q." "r." or an "r." subscript. For purposes of the rating requirements contained in this definition, each investment on negative credit watch by Moody's shall be treated as having been downgraded one rating subcategory by Moody's and each investment on credit watch for possible upgrade by Moody's shall be treated as having been upgraded one rating subcategory by Moody's.

"Eligible Loan Index": With respect to each Collateral Obligation that is a loan, the S&P/LSI Leveraged Loan Index and its sub-indices, the Credit Suisse Leveraged Loan Index and its sub-indices, the Lehman Brothers U.S. High Yield Loan Index and its sub-indices and the Goldman Sachs LPC Liquid Leveraged Loan Index or any other loan index selected by the Collateral Manager at the relevant time of determination (subject to the satisfaction of the Moody's Rating Condition).

"Eligible Post Reinvestment Proceeds": Any Unscheduled Principal Payments or Sale Proceeds of Credit Improved Obligations or Credit Risk Obligations, in each case received after the Reinvestment Period.

"Equity Security": (a) Any equity security or any other security that is not eligible for purchase by the Issuer under the Indenture and is received with respect to a Collateral Obligation or (b) any security purchased as part of a "unit" with a Collateral Obligation and that itself is not eligible for purchase by the Issuer under the Indenture.

"Euroclear": The Euroclear System.

"European I Country": Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Liechtenstein, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland and United Kingdom and any other European country subject to the satisfaction of the Moody's Rating Condition and the S&P Rating Condition.

"European II Country": Greece, Italy and Portugal.

"Excess Equity Feature Value": In respect of any Collateral Obligation which either has equity features attached or which is convertible into an Equity Security, the portion of the acquisition price thereof which, in the sole judgment of the Collateral Manager, is attributable to the value of such equity feature or conversion option of such Equity Security and which is in excess of 2% of the total purchase price of such Collateral Obligation.


"Exchanged Defaulted Obligation": Any Defaulted Obligation exchanged for another Defaulted Obligation.

"Exchanged Equity Security": Any equity security or any other security that is not eligible for purchase by the Issuer under the definition of "Collateral Obligation" and received in exchange for a Collateral Obligation.
Footnote Exhibits - Page 5156

"Excluded Subclasses": Any subclass of Subordinated Securities issued under "Description of the Securities—The Indenture—Additional issuance" which shall be excluded for purposes of calculating the Incentive Collateral Management Fee payable pursuant to the Collateral Management Agreement.

"Expense Reserve Amount": $1,805,000.

"Finance Lease": A lease agreement or other agreement entered into in connection with and evidencing a Leasing Finance Transaction.

"Fitch": Fitch Ratings and any successor or successors thereto.

"Fixed Rate Collateral Obligations": Collateral Obligations (other than Defaulted Obligations) that, at the time of determination, bear interest at a fixed rate, including (i) any Step-Up Coupon Securities that (1) bear interest at a fixed rate at the time of determination or (2) do not bear any interest at the time of determination but whose interest rate will increase to a fixed rate and (ii) Synthetic Securities that provide for a payment to the Issuer based on a fixed rate.

"Floating Rate Collateral Obligations": Collateral Obligations (other than Defaulted Obligations) that, at the time of determination, bear interest at a floating rate, including (i) any Step-Up Coupon Securities that (1) bear interest at a floating rate at the time of determination or (2) do not bear any interest at the time of determination but whose interest rate will increase to a floating rate and (ii) Synthetic Securities that provide for a payment to the Issuer based solely on a floating rate.

"Floating Rate Note Interest Amounts": Collectively, the Class A Note Interest Amount, the Class B Note Interest Amount, the Class C Note Interest Amount, the Class D Note Interest Amount and the Class E Note Interest Amount.

"Floating Rate Note Interest Rates": Collectively, the Note Interest Rate for the Class A Notes, the Note Interest Rate for the Class B Notes, the Note Interest Rate for the Class C Notes, the Note Interest Rate for the Class D Notes and the Note Interest Rate for the Class E Notes.

"Floating Rate Notes": Collectively, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"Form-Approved Synthetic Security": A Synthetic Security:

(a) the Reference Obligation of which (or the relevant obligation(s) of the Reference Obligor, if it were a Collateral Obligation, could be purchased by the Issuer without any required action by the Rating Agencies or which would not cause either the Moody's Rating Condition or the S&P Rating Condition to be not satisfied in the reasonable judgment of the Collateral Manager;

(b) the documentation of which conforms (but for the amount and timing of periodic payments, the name of the Reference Obligation and/or Reference Obligor, the notional amount, the premium, the effective date, the termination date or maturity and other similarly necessary changes) to a form (it being understood that such documentation may incorporate by reference the Syndicated Secured Loan Credit Default Swap Standard Terms Supplement as published by ISDA as of June 8, 2009) (1) with respect to S&P, previously approved and not subsequently revoked by S&P for use in this transaction, and (2) with respect to Moody's, for which the Issuer or the Collateral Manager on behalf of the Issuer had previously obtained certification that the Moody's Rating Condition was satisfied; and

(c) which provides that any "credit event" thereunder shall be limited to either "bankruptcy" or "failure to pay" or both.

Confidential Treatment Requested by Goldman Sachs

OS MBS-E-001918377
The Issuer or the Collateral Manager on behalf of the Issuer shall promptly notify the Rating Agencies after any acquisition of a Form Approved Synthetic Security and cause the delivery of any documentation relating to such Form Approved Synthetic Security to S&P within ten Business Days of such acquisition; provided, however, that in the event the Collateral Manager fails to deliver any documentation within ten Business Days as required above, such failure shall not constitute a breach of any material terms under the Indenture or the Collateral Management Agreement; provided that if S&P or Moody's notifies the Trustee and the Collateral Manager that it has withdrawn form-approved status with respect to a particular Form Approved Synthetic Security, then the Issuer shall no longer use such form as a Form Approved Synthetic Security.

"Future Drawdown Amount": At any time of determination, an amount equal to the greater of (A) zero and (B) (i) the Aggregate Underlying Undrawn Amount at such time less (ii) the amount of funds in the Revolving Credit Facility Reserve Account at such time.

"Global Class E Notes": Collectively, the Rule 144A Global Class E Notes and the Regulation S Global Class E Notes.

"Global Securities": Collectively, the Rule 144A Global Secured Notes, the Regulation S Global Secured Notes and the Regulation S Global Subordinated Securities.

"Hedge Agreement": Any interest rate exchange, cap or protection agreement or agreements entered into between the Issuer and a Hedge Counterparty, as amended from time to time, including any confirmations evidencing the transactions thereunder.

"Hedge Counterparty": One or more institutions entering into or guaranteeing a Hedge Agreement with the Issuer (i) having a Required Hedge Counterparty Rating or (ii) if not so rated by both of the Rating Agencies, the Moody's Rating Condition and the S&P Rating Condition (as applicable to any Rating Agency that has not so rated such institution) have been satisfied with respect to any such Hedged Agreement, including any successor under any such Hedged Agreement satisfying the foregoing rating requirements at the time of such succession.

"Hedge Payment Amount": With respect to a Hedge Agreement and any Payment Date, the positive amount, if any, then payable to the Hedge Counterparty by the Issuer (excluding any applicable termination payments) net of all amounts (excluding any applicable termination payments) then payable to the Issuer by the Hedge Counterparty.

"Holder" or "Securityholder": With respect to any Security, the Person in whose name such Security is registered in the Register, or for purposes of voting and determinations hereunder, as long as such Security is in global form, a beneficial owner thereof.

"Included Subtrust": (i) The subtrusts of Subordinated Securities issued on the Closing Date and (ii) any subtrust of Subordinated Securities issued under "Description of the Securities—The Indenture—Additional Issuance" which shall be included for purposes of calculating the Incentive Collateral Management Fee payable pursuant to the Collateral Management Agreement.

"Indenture": The Indenture, dated as of January 18, 2007, among the Issuer, the Co-Issuer and the Trustee.

"Independent": As to any Person, any other Person (including a firm of accountants or lawyers and any member thereof or an investment bank and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person or any Affiliate of such Person, (ii) is not connected with such Person as an officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions and (iii) is not affiliated with a firm that fails to satisfy the criteria set forth in (i) and (ii). "Independent" when used with respect to any accountant may include an accountant who audits the books of any Person if in addition to satisfying the criteria set forth above the accountant is independent with respect to such Person within the meaning of Rule 101 of the Code of Ethics of the American Institute of Certified Public Accountants.
Footnote Exhibits - Page 5158

"Initial Investment Period": The period from and including the Closing Date to, but excluding, the Effective Date.

"Interest Accrual Period": The period from and including the Closing Date to but excluding the first Scheduled Payment Date, and each successive period from and including each Scheduled Payment Date to but excluding the following Scheduled Payment Date (except with respect to the Scheduled Payment Date preceding the Stated Maturity or the Redemption Date, to but excluding the Stated Maturity or the Redemption Date, as the case may be).

"Interest Coverage Ratio": On any Measurement Date and as to any applicable Class of Secured Notes, the ratio (expressed as a percentage), after giving effect to clauses (b) through (v) as described under "Security for the Secured Notes—The Coverage Tests," obtained by dividing:

(a) the Collateral Interest Amount as of such date, by

(b) the sum of the scheduled interest payments due on the Securities of such Class (excluding the Class B Notes) and each senior Class (excluding the Class B Notes) on the following Payment Date, provided, however, the Class A Notes and the Class B Notes shall constitute one Class of Secured Notes for purposes of the Interest Coverage Ratio determined for the Class A/B Interest Coverage Test.

For purposes of calculating the Interest Coverage Ratio:

(1) any distributions in the Due Period in which such Measurement Date occurs (but not yet paid) with respect to a Collateral Obligation which, in accordance with its terms, has an outstanding deferred interest balance, shall be included in such calculation only if (x) such Collateral Obligation paid all interest then currently due in cash on its immediately preceding payment date (including interest due on deferred interest, if any) and (y) the Collateral Manager believes (in its sole judgment) such Collateral Obligation will not defer interest or make a payment "in kind" on its next succeeding payment date;

(2) distributions on the Collateral Obligations and the Eligible Investments will not include any scheduled interest payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made during the applicable Due Period;

(3) the expected interest income on Floating Rate Collateral Obligations and Eligible Investments and the expected interest payable on the applicable Class of Secured Notes will be calculated using the then-current interest rates applicable thereto.

"Interest Coverage Tests": The Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test.

"Interest Proceeds": With respect to any Payment Date and the Stated Maturity, without duplication:

(i) all payments of interest and dividends, commitment fees and facility fees received during the related Due Period on the Pledged Obligations (including Reinvestment Income, if any), other than any payment of interest received on any Defaulted Obligation if the outstanding principal amount thereof then due and payable has not been received by the Issuer after giving effect to the receipt of such payment of interest;

(ii) to the extent not included in the definition of "Sale Proceeds," if so designated by the Collateral Manager (in its sole discretion) and notice thereof is conveyed in writing to the Trustee, any portion of the accrued interest received during the related Due Period in connection with the sale of any Pledged Obligations (excluding accrued interest received in connection with the sale of (x) Defaulted Obligations if the outstanding principal amount

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5159

thereof has not been received by the Issuer after giving effect to such sale or (y) Pledged Obligations in connection with an optional redemption of the Securities;

(ii) unless otherwise designated by the Collateral Manager (in its sole discretion) as Principal Proceeds and notice thereof is conveyed in writing to the Trustee, all amendment and waiver fees, all late payment fees, all securities lending fees (net of administration fees paid in connection with securities lending) and all other fees received during such Due Period in connection with the Pledged Obligations, excluding (A) fees received in connection with Defaulted Obligations but only to the extent that the outstanding principal amount thereof has not been received by the Issuer; (B) fees received in connection with the purchase of Pledged Obligations and any Revolving Credit Facility Net-Backs; and (C) premiums (including prepayment premiums) constituting Principal Proceeds in accordance with subclause (iii) of the definition thereof;

(vi) all net payments (other than (a) termination payments, (b) payments constituting Liquidation Proceeds, (c) upfront payments by a replacement Hedge Counterparty that are to be paid to a replaced Hedge Counterparty in accordance with the relevant Hedge Agreements, which payments shall, if received by the Issuer, be paid directly to such replaced Hedge Counterparty and not be subject to the Priority of Payments and (d) upfront payments by a replacement Hedge Counterparty that constitute Principal Proceeds in accordance with subclause (v)(B) or (C) of the definition thereof) received pursuant to Hedge Agreements during the related Due Period or on the related Payment Date or the Business Day preceding the related Payment Date;

(vii) any recoveries on Defaulted Obligations in excess of the outstanding principal amount thereof (including, without limitation, any payments received by the Issuer upon the occurrence of a "credit event" under a Synthetic Security in excess of the Principal Balance of such Synthetic Security);

(vii) proceeds received from any additional issuance of Securities if treated as Interest Proceeds in accordance with the Treatment of Additional Issuances of Securities;

(viii) any amounts remaining on deposit in the Interest Collection Account from the immediately preceding Payment Date and (c) any Principal Proceeds and unused proceeds transferred to the Interest Collection Account for application as Interest Proceeds as set forth in "Security for the Secured Notes—Principal Collection Account";

(ix) after an event of default, as such term is defined under the related Securities Lending Agreements, any interest payment received by the Issuer from the related Securities Lending Collateral during the related Due Period (but not to exceed the amount of the Securities Lending Counterparty's obligations owed to the Issuer);

(i) any amounts transferred from the Synthetic Security Collateral Account that are deposited in the Interest Collection Account during the related Due Period and (y) all fees received by the Issuer on Synthetic Securities; and

(x) all payments of principal and interest on Eligible Investments purchased with the proceeds of any of items (i) through (x) of this definition (without duplication);

provided, however, that in connection with the final Payment Date, Interest Proceeds shall include any amount referred to in subclauses (i) through (x) above that is received from the sale of Collateral Obligations or the additional issuance of the Subordinated Securities on or prior to the day immediately preceding the final Payment Date.

For the avoidance of doubt, if the Issuer receives any payment from a Securities Lending Counterparty that relates to a Collateral Obligation that has been loaned to such Securities Lending Counterparty pursuant to a related Securities Lending Agreement, the portion of such payment that

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5160

would have constituted interest proceeds had such payment been paid from the issuer of such
named Collateral Obligation to the issuer shall constitute interest proceeds and, prior to an event of
default, as such term is defined under the related Securities Lending Agreement, any payment
received by the issuer under the related Securities Lending Collateral shall not constitute interest
proceeds and such amounts shall be deposited in the Securities Lending Account.

"Interest Reserve Amount": With respect to any Scheduled Payment Date, (i) the sum of all
interest payments received on collateral obligations which pay interest less frequently than
quarterly during all previous Due Periods (including, for the avoidance of doubt, the Due Period
applicable to such Scheduled Payment Date), less (ii) the sum of the aggregate interest
reserve distribution amounts on all prior scheduled payment dates, less (iii) all amounts applied pursuant to the
paragraph in "Description of the Securities—Priority of Payments—Interest Proceeds".

"Interest Reserve Distribution Amount": For a collateral obligation that pays scheduled interest
less frequently than quarterly, an amount equal to:

(i) if such collateral obligation is a fixed rate collateral obligation, the product of (1) the
actual number of days in the related due period divided by 360, (2) the
interest rate on such collateral obligation as of the immediately preceding distribution date,
and (3) the principal balance of such collateral obligation,

(ii) if such collateral obligation is a floating rate collateral obligation, the product of (1) the
actual number of days in the related due period divided by 360, (2) the sum of (i) three-
month Libor, as of the immediately preceding distribution date, and (3) the effective spread, as of the immediately
preceding distribution date, on such collateral obligation

"Interim Targets": With respect to the collateral portfolio on the Interim Targets date, (i) a Minimum
Downpayment Ratio equal to or greater than 95%, (ii) a Diversity Score equal to or greater than 40, (iii) a Moody's
Weighted Average Recovery Factor equal to or greater than 50, (iv) a Weighted Average Spread equal to or
greater than 4.40% and (v) a Moody's Weighted Average Recovery Rate equal to or greater than 43.00%.

"Interim Targets Date": April 18, 2007.

"Internal Rate of Return": With respect to each payment date, the rate of return that would result in
a net present value of zero, assuming: (i) an aggregate purchase price of par for the Sukuk
issued on the Closing Date or any related Additional issuance date as the negative cash flow and all
distributions on the Sukuk issued on the Closing Date or any related Additional issuance date as positive cash flows, (ii) the initial date for the calculation as the Closing Date or
the related Additional issuance date, as applicable, and (iii) the number of days to each payment date after
the Closing Date or related Additional issuance date, as applicable, being calculated on the basis of a 360-
day year consisting of twelve 30-day months. Such rate of return shall be expressed on a semi-annual bond
equivalent basis and take into account any payments of the incentive collateral management fee on such
payment date.

"Investment Company Act": The U.S. Investment Company Act of 1940, as amended.

"Investment Due Period": The first due period following the due period of receipt of any principal
proceeds, sale proceeds of credit improved obligations or credit risk obligations, unscheduled principal
payments or proceeds from additional issuances of the securities, as applicable.

"Irish Paying Agency Agreement": An agreement between the Irish Paying Agent and the issuer,
as amended from time to time in accordance with the terms thereof.

"Irish Paying Agent": Custom House Administration & Corporate Services Ltd. In Ireland, until a
successor person shall have been appointed by the Issuer, and thereafter "Irish Paying Agent" shall mean
such successor person.
Footnote Exhibits - Page 5161

"Issuer Accounts": The Interest Collection Account, the Subordinated Securities Interest Collection Account, the Payment Account, the Subordinated Securities Collateral Account, the Collateral Account, the Principal Collection Account, the Subordinated Securities Principal Collection Account, the Embrace Reserve Account, the Discretionary Reserve Account and the Revolving Credit Facility Reserve Account.

"Knowledgeable Employee": A "knowledgeable employee" within the meaning of Rule 3c-5 of the Investment Company Act.

"Leasing Finance Transaction": Any transaction pursuant to which the obligations of the lessor to pay rent or other amounts on a triple net basis under any lease (or other arrangement conveying the right to use) real or personal property, or a combination thereof, are required to be classified and accounted for as a capital lease on a balance sheet of such lessor under generally accepted accounting principles in the United States; but only if (a) such lease or other transaction provides for the unconditional obligation of the lessor to pay a stated amount of principal no later than a stated maturity date, together with interest thereon, and the payment of such obligation is not subject to any material non-credit related risk as determined by the Collateral Manager, (b) the obligations of the lessor in respect of such lease or other transaction are fully secured, directly or indirectly, by the property that is the subject of such lease and (c) the interest held in respect of such lease or other transaction is treated as debt for U.S. federal income tax purposes.

"LIBOR": The London Interbank Offered Rate. For purposes of calculating the Floating Rate Note Interest Rates for each Applicable Period, LIBOR shall, as more fully described in a schedule to the Indenture, be calculated as follows:

(i) On each LIBOR Determination Date, LIBOR shall equal the rate, as obtained by the Calculation Agent, for Eurodollar deposits for the Applicable Period which appears in Telerate Page 3750 (as defined in the International Swaps and Derivatives Association, Inc. 2000 Interest Rate and Currency Exchange Definitions), or such page as may replace Telerate Page 3750, as of 11:00 a.m. (London time) on such LIBOR Determination Date.

(ii) If, on any LIBOR Determination Date, such rate does not appear on Telerate Page 3750, or such page as may replace Telerate Page 3750, the Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to leading banks in the London interbank market for Eurodollar deposits for the Applicable Period in an amount determined by the Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (London time) on the LIBOR Determination Date made by the Calculation Agent to the Reference Banks. If, on any LIBOR Determination Date, at least two of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any LIBOR Determination Date, only one or none of the Reference Banks provides such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in the City of New York selected by the Calculation Agent are quoting on the relevant LIBOR Determination Date for Eurodollar deposits for the Applicable Period in an amount determined by the Calculation Agent by reference to the principal London offices of leading banks in the London interbank market; provided, however, that if the Calculation Agent is unable to determine a rate in accordance with at least one of the procedures provided above, LIBOR shall be LIBOR as determined on the most recent date LIBOR was available. As used herein, "Reference Banks" means four major banks in the London interbank market selected by the Calculation Agent.

(iii) LIBOR for the first Applicable Period shall be determined based on the actual number of days in the Applicable Period using straight-line interpolation of two rates calculated in accordance with the above procedure, except that instead of using three-month deposits, one rate shall be determined using the period for which rates are obtainable next shorter than the Applicable Period and the other rate shall be determined using the period for which rates are obtainable next longer than the Applicable Period.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918382
Footnote Exhibits - Page 5162

As soon as possible after 11:00 a.m. (London time) on each LIBOR Determination Date, the Calculation Agent with, respect to any Scheduled Payment Date, cause notice of the Floating Rate Note Interest Rates for the next Interest Accrual Period and the Class A Note Interest Amount, the Class B Note Interest Amount, the Class C Note Interest Amount, the Class D Note Interest Amount and the Class E Note Interest Amount (rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date to be communicated to the Issuers, the Trustee, Euroclear, Clearstream, the Collateral Manager and the paying agents. The Calculation Agent will specify to the Issuers the quotations upon which the Floating Rate Note Interest Rates are based, and in any event the Calculation Agent shall notify the Issuers, or the Collateral Manager on behalf of the Issuers, before 5:00 p.m. (London time) on each LIBOR Determination Date that either: (i) it has determined or is in the process of determining the applicable Floating Rate Note Interest Rate(s) and the applicable Floating Rate Note Interest Amount(s); or (ii) it has not determined and is not in the process of determining the applicable Floating Rate Note Interest Rate(s) and the applicable Floating Rate Note Interest Amount(s), together with its reasons therefor.

"LIBOR Determination Date": The second London Business Day prior to the commencement of an Interest Accrual Period.

"Liquidation Proceeds": With respect to any optional redemption include, without duplication: (i) all Sale Proceeds from Collateral Obligations sold in connection with such redemption; (ii) the aggregate amount received by the Issuer on or prior to the Business Day immediately preceding the relevant Payment Date from the termination or reduction of any Hedge Agreement in connection with such optional redemption; and (iii) all cash and Eligible Investments (other than Principal Proceeds and Interest Proceeds) that will be paid pursuant to the Priority of Payments on such Redemption Date on deposit in the Issuer Accounts.

"London Business Day": A day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

"Majority": With respect to the Securities or any Class thereof, the Holders of more than 50% of the Aggregate Outstanding Amount of the Securities or of such Class, as the case may be.

"Margin Stock": The meaning specified under Regulation U.

"Maritime Collateral Obligation": An obligation, other than a Structured Finance Security, in which the Issuer thereof (i) is organized in a Maritime Jurisdiction; and (ii) is determined by the Collateral Manager to be in the shipping industry and to have (or whose relevant obligations are guaranteed by an entity that the Collateral Manager has determined to have) at least 50% (by reference to the latest available consolidated financial statements) of (a) its business operations or (b) its assets primarily responsible for generating its revenue located in (1) the United States of America, Canada, Australia, (2) a European Union Country or European Economic Area Country, (3) in each case, at the time of the acquisition by the Issuer, the foreign currency rating of such country is rated at least "AA" by S&P or (3) upon the satisfaction of each of the Moody's Rating Condition and the S&P Rating Condition, any other jurisdiction.

"Maritime Jurisdiction": (1) the Bahamas, Bermuda, the Cayman Islands, Norway, or, (3) upon the satisfaction of each of the Moody's Rating Condition and the S&P Rating Condition, any other jurisdiction; provided that, if any of the countries listed in subclause (1) have a foreign currency rating of less than "AA" by S&P at the time of purchase of the related Maritime Collateral Obligation, the Collateral Manager shall notify S&P in writing of such fact, provided, further, that, none of the countries listed in subclause (1) shall have a foreign currency rating of less than "A2" by Moody's.

"Market Value": With respect to any Collateral Obligations, the amount determined by the Collateral Manager equal to: (i) the product of the principal amount and the average of the average bid and average ask price value determined by the Loan Pricing Corporation, Markit Partners Inc. or any other Loan pricing service that is independent of the Collateral Manager and acceptable to S&P; (ii) if any such service is not available or applicable then the average of at least three firm bids obtained from dealers (that are independent of the Collateral Manager and independent of each other) that the Collateral Manager

Confidential Treatment Requested by Goldman Sachs

GS MISS-E-001918383
determines (in its sole discretion) to be reasonably representative of the Collateral Obligation’s current market value and reasonably reflective of current market conditions; (ii) if only two such bids can be obtained, the lower of such two bids shall be the Market Value of the Collateral Obligation; (v) if only one such bid can be obtained, such bid shall be the Market Value of the Collateral Obligation; and (v) if no such bids can be obtained, then, the Market Value of such Collateral Obligation shall be:

(A) so long as the Collateral Manager is registered as an investment adviser under the Advisers Act, the outstanding principal amount of such Collateral Obligation multiplied by the lesser of (x) 70% and (y) its market value (expressed as a percentage of such Collateral Obligation as determined by the Collateral Manager consistent with the procedures used by the Collateral Manager to determine the market value for assets included in other funds managed by the Collateral Manager; or

(B) if the Collateral Manager is no longer registered as an investment adviser under the Advisers Act, the outstanding principal amount of such Collateral Obligation multiplied by the lesser of (x) 70%, (y) its Moody’s Recovery Rate and (z) its bid market value (expressed as a percentage of par) determined by the Collateral Manager; provided that so long as the Collateral Manager is not registered as an investment adviser under the Advisers Act, if the Market Value of a Collateral Obligation cannot be calculated in accordance with any of subclauses (i) through (iv) above, the Market Value of such Collateral Obligation shall be deemed to be zero.

“Maturity”: With respect to any Collateral Obligation, the date on which such obligation shall be deemed to mature (or its maturity date) shall be the earlier of (x) the Stated Maturity of such obligation and (y) if the Issuer has a right to require the Issuer or obligor of such Collateral Obligation to purchase, redeem or retire such Collateral Obligation (at par) on any one or more dates prior to its Stated Maturity (a “put right”) and the Collateral Manager determines (in its sole discretion) that it shall exercise such put right on any such date, the maturity date shall be the date specified in such certification.

“Maturity”: With respect to any Security, the date on which any unpaid principal or interest amount, as applicable, of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

“Maximum Rating Factor”: As of any Measurement Date the number set forth in the Ratings Matrix corresponding to the “row/column combination” chosen by the Collateral Manager as currently applicable to the Collateral Obligations in accordance with the terms of the Indenture.

“Measurement Date”: On and after the Effective Date, (i) each date the Reinvestment Criteria apply in connection with a sale, purchase or substitution of a Collateral Obligation (giving effect to such sale, purchase or substitution), (ii) each Determination Date, (iii) the 20th day of each month for purposes of producing monthly reports provided by the Issuer pursuant to the Indenture summarizing the performance of the Collateral Portfolio and (iv) any Business Day specified as a Measurement Date, with not less than two Business Days notice, by either of the Rating Agencies.

“Minimum Diversity”: As of any Measurement Date the number set forth in the column entitled “Minimum Diversity” in the Ratings Matrix set forth in “Summary—The Offering—Collateral Quality Tests” based upon the “row/column combination” chosen by the Collateral Manager as currently applicable to the Collateral Obligations in accordance with the terms in the Indenture.

“Minimum Par Value Ratio”: The Minimum Par Value Ratio will be satisfied, as of any Measurement Date, if the Class D Par Value Ratio is equal to or greater than 110.34%; provided that in calculating the Minimum Par Value Ratio, any portion of principal due on a Collateral Obligation after the Stated Maturity of the Securities will be treated as a Collateral Obligation that matures prior to or on the Stated Maturity.

“Moody’s”: Moody’s Investors Service, Inc. and any successor or successors thereto.
Footnote Exhibits - Page 5164

"Moody's Default Probability Rating": With respect to any Collateral Obligation as of any date of determination, the rating determined as follows:

(i) With respect to a Collateral Obligation other than a DIP Loan that is a Senior Secured Loan or Participation in a Senior Secured Loan, if the obligor of such Collateral Obligation has a Corporate Family Rating, then such Corporate Family Rating.

(ii) With respect to a Collateral Obligation other than a DIP Loan that is a Senior Secured Loan or Participation in a Senior Secured Loan, if not determined pursuant to subclause (i) above, if such Collateral Obligation (A) is publicly rated by Moody's, such public rating, or (B) is not publicly rated by Moody's but a rating or ratings estimate has been assigned by Moody's upon the request of the Issuer or the Collateral Manager, such rating or the rating estimate, as applicable.

(iii) With respect to a Collateral Obligation other than a Synthetic Security or a DIP Loan, if not determined pursuant to subclause (i) or (ii) above, (A) if the obligor of such Collateral Obligation has one or more senior unsecured obligations publicly rated by Moody's, then the Moody's public rating on any such obligation as selected by the Collateral Manager or, if no such rating is available, then (B) if such Collateral Obligation is publicly rated by Moody's, such public rating or, if no such rating is available, then (C) if a rating or rating estimate has been assigned by Moody's upon the request of the Issuer or the Collateral Manager, such rating or, in the case of a rating estimate, the applicable rating estimate for such obligation.

(iv) With respect to a DIP Loan, (i) one rating subcategory below the facility rating (whether public or private) of such DIP Loan rated by Moody's or (ii) if such DIP Loan does not have a facility rating assigned by Moody's, (a) if Moody's has provided a ratings estimate with respect to such DIP Loan, one rating subcategory below the ratings estimate provided by Moody's, (b) if Moody's has been requested by the Issuer or the Collateral Manager to assign a rating or ratings estimate with respect to such DIP Loan but such rating or ratings estimate has not been received, pending receipt of such estimate, "BB" if the Collateral Manager believes that such estimate will be at least "BB" and if the Aggregate Principal Amount of Collateral Obligations determined pursuant to this clause (iv), together with the Aggregate Principal Amount of Collateral Obligations the Moody's Derived Rating of which is determined pursuant to subclause (B)(7) of the definition of "Moody's Derived Rating", does not exceed 15% of the Aggregate Principal Amount of all Collateral Obligations or (c) otherwise, "Caa1".

(v) With respect to a Collateral Obligation other than a Synthetic Security, if not determined pursuant to subclauses (i), (ii), (iii), or (iv) above, the Moody's Derived Rating.

(vi) With respect to a Synthetic Security, as determined as set forth in "Security for the Secured Notes—Certain Matters Relating to Synthetic Securities".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be, except that, with respect to ratings issued for Structured Finance Securities, each applicable rating will be treated as having been upgraded or downgraded by two rating subcategories.

"Moody's Derived Rating": With respect to a Collateral Obligation whose Moody's Rating or Moody's Default Probability Rating cannot otherwise be determined pursuant to the definitions thereof, such Moody's Rating or Moody's Default Probability Rating shall be determined as set forth below:

(i) If the obligor of such Collateral Obligation has a long-term issuer rating by Moody's, then such long-term issuer rating.

Confidential TreatmentRequested by Goldman Sachs

GS MBS-E-00191395

151
(vii) If not determined pursuant to subclause (i) or (ii) above, if the obligor of such Collateral Obligation has a Corporate Family Rating, then one subcategory below such Corporate Family Rating.

(viii) If not determined pursuant to subclause (i), (ii) or (vii) above, then by using any one of the methods provided below:

(A) (1) If such Collateral Obligation is rated by S&P, then by adjusting the S&P Rating by the number of rating subcategories according to the table below:

<table>
<thead>
<tr>
<th>S&amp;P Rating</th>
<th>Collateral Obligation Rated by S&amp;P</th>
<th>Number of Subcategories Relative to Moody's Equivalent of S&amp;P Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>eBB-</td>
<td>Not a Loan or Participation</td>
<td>1</td>
</tr>
<tr>
<td>eBB+</td>
<td>Not a Loan or Participation</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Loan or Participation Interest in</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Loan</td>
<td></td>
</tr>
</tbody>
</table>

(2) If such Collateral Obligation is not rated by S&P but another security or obligation of the obligor is rated by S&P (a "parallel security"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in subclause (A)(1) above, and the Moody's Rating or Moody's Default Probability Rating of such Collateral Obligation will be determined in accordance with the methodology set forth in subclause (i) above for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this subclause (A)(2); or

(3) If such Collateral Obligation is a DIP Loan, no Moody's Rating or Moody's Default Probability Rating may be determined based on a rating by S&P or any other rating agency, provided, however, that the Aggregate Principal Amount of Collateral Obligations the Moody's Default Probability Rating of which is determined pursuant to this clause (iii)(A) shall not exceed 10% of the Aggregate Principal Amount of all Collateral Obligations;

(8) If such Collateral Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer or the Collateral Manager to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, (i) "B3" if the Collateral Manager believes that such estimate will be at least "B3" and if the Aggregate Principal Amount of Collateral Obligations determined pursuant to this subclause (i)(i), together with the Aggregate Principal Amount of Collateral Obligations the Moody's Default Probability Rating of which is determined pursuant to clause (ii) of the definition of
Footnote Exhibits - Page 5166

"Moody's Default Probability Rating", does not exceed 10% of the Aggregate Principal Amount of all Collateral Obligations or (2) otherwise, "Caasi";

(C) if the obligor of such Collateral Obligation is a U.S. obligor and if such Collateral Obligation is a senior secured obligation of the obligor and (1) neither the obligor nor any of its Affiliates is subject to reorganization or bankruptcy proceedings; (2) no debt securities or obligations of the obligor are in default; (3) neither the obligor nor any of its Affiliates have defaulted on any debt during the past two years; (4) the obligor has been in existence for the past five years; (5) the obligor is current on any cumulative dividends; (6) the fixed-dollar ratio for the obligor exceeds 150% for each of the past two fiscal years and for the most recent quarter; (7) the obligor had a net profit before tax in the past fiscal year and the most recent quarter and (6) the annual financial statements of the obligor are unqualified and certified by a firm of independent accountants of national reputation, and quarterly statements are unaudited but signed by a corporate officer, "Caasi";

(D) if the obligor of such Collateral Obligation is a U.S. obligor and if such Collateral Obligation is a senior secured or senior unsecured obligation of the obligor and (1) neither the obligor nor any of its Affiliates is subject to reorganization or bankruptcy proceedings and (2) no debt security or obligation of the obligor has been in default during the past two years, "Caasi";

(E) if a debt security or obligation of the obligor has been in default during the past two years, "Caasi".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be, except that, with respect to ratings issued for Structured Finance Securities, such applicable rating will be treated as having been upgraded or downgraded by two rating subcategories.

"Moody's Industry Category": Any of the industry categories set forth in the Indenture, including any such modifications that may be made thereof or such additional categories that may be subsequently established by Moody's and provided by the Collateral Manager or Moody's to the Trustee.

"Moody's Rating": With respect to any Collateral Obligation as of any date of determination, the rating determined as follows:

(i) With respect to a Collateral Obligation (including a Synthetic Security) that (A) is publicly rated by Moody's, such public rating, or (B) is not publicly rated by Moody's but for which a rating or rating estimate has been assigned by Moody's upon the request of the Issuer or the Collateral Manager, such rating or, in the case of a rating estimate, the applicable rating estimate for such obligation.

(ii) With respect to a Collateral Obligation that is a Senior Secured Loan or Participation in a Senior Secured Loan, if not determined pursuant to subclause (i) above, if the obligor of such Collateral Obligation has a Corporate Family Rating, then such Corporate Family Rating.

(iii) With respect to a Collateral Obligation other than a Synthetic Security, if determined pursuant to subclause (i) or (ii) above, if the obligor of such Collateral Obligation has one or more senior secured obligations publicly rated by Moody's, then the Moody's public rating on any such obligation as selected by the Collateral Manager.

(iv) With respect to a Collateral Obligation other than a Synthetic Security, if not determined pursuant to subclauses (i), (ii) or (iii) above, the Moody's Derived Rating.

(v) With respect to a Synthetic Security, if not determined pursuant to subclause (i) above, as provided by Moody's.

-153-

Confidential Treatment Requested by Goldman Sachs

QS MBS-E-001018397
For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be, except that, with respect to ratings issued for Structured Finance Securities, each such applicable rating will be treated as having been upgraded or downgraded by two rating subcategories.

"Moody's Rating Condition": With respect to any proposed action to be taken under the indenture or any other document contemplated by the indenture, a condition that is satisfied when Moody's has confirmed in writing to the Issuer, the Trustee and the Collateral Manager that an immediate withdrawal or reduction with respect to any then-current rating by Moody's of any Class of Co-Issued Notes will not occur as a result of such proposed action.

"Moody's Rating Factor": With respect to any Collateral Obligation, is the number set forth in the table below opposite the rating of such Collateral Obligation, which may be adjusted from time to time by Moody's:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>1</td>
<td>Ba1</td>
<td>940</td>
</tr>
<tr>
<td>Aa1</td>
<td>10</td>
<td>Ba2</td>
<td>1,350</td>
</tr>
<tr>
<td>Aa2</td>
<td>20</td>
<td>Baa3</td>
<td>1,760</td>
</tr>
<tr>
<td>Aa3</td>
<td>40</td>
<td>B1</td>
<td>2,320</td>
</tr>
<tr>
<td>A1</td>
<td>70</td>
<td>B2</td>
<td>2,720</td>
</tr>
<tr>
<td>A2</td>
<td>120</td>
<td>B3</td>
<td>3,490</td>
</tr>
<tr>
<td>A3</td>
<td>180</td>
<td>Ca1</td>
<td>4,770</td>
</tr>
<tr>
<td>Ba1</td>
<td>260</td>
<td>Ca2</td>
<td>6,000</td>
</tr>
<tr>
<td>Ba2</td>
<td>360</td>
<td>Ca3</td>
<td>8,070</td>
</tr>
<tr>
<td>Ba3</td>
<td>610</td>
<td>Ca or lower;9,000</td>
<td></td>
</tr>
</tbody>
</table>

Since for purposes of determining the Maximum Rating Factor Test:

(i) any Collateral Obligation issued or guaranteed as to the payment of principal and interest by the United States of America or any agency or instrumentality thereof, the obligations of which are expressly backed by the full faith and credit of the United States of America, shall be assigned a Moody’s Rating Factor of 1;

(ii) any Collateral Obligation with only a short-term rating of "P-1" by Moody's shall be assigned a Moody’s Rating Factor equivalent to that of the senior unsecured rating of the Issuer;

(iii) any Collateral Obligation with only a short-term rating of "P-1" by Moody's of an Issuer that does not have a senior unsecured rating shall be assigned a Moody’s Rating Factor of 180; and

(iv) if a Collateral Obligation is not rated by Moody’s and no other security or obligation of the Issuer is rated by Moody’s, and such Collateral Obligation does not have a Moody’s Derived Rating, then the Moody’s Rating Factor of such Collateral Obligation will be deemed to be such estimate thereof as may be assigned by Moody’s upon the request of the Issuer or the Collateral Manager, provided, however, that until such rating estimate is made, the Moody’s...
Footnote Exhibits - Page 5168

Rating Factor of such security shall be deemed to be the lower of the Moody's Rating Factor corresponding to such security's rating as determined pursuant to the definition of "Moody's Default Probability Rating" and 10,000.

"Moody's Recovery Rate": With respect to any Collateral Obligation, as of any Measurement Date, the recovery rate specified in Table I below corresponding to such type of Collateral Obligation.

**Table I**

<table>
<thead>
<tr>
<th>Type of Collateral Obligation</th>
<th>Recovery Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Secured Loans and Senior Secured Floating Rate Notes</td>
<td>The recovery rate determined by reference to Table II below</td>
</tr>
<tr>
<td>Senior Unsecured Loans and Subordinated Loans bonds</td>
<td>The recovery rate determined by reference to Table III below</td>
</tr>
<tr>
<td>Synthetic Securities</td>
<td>Pending assignment by Moody's on a case-by-case basis, 25.00% and, thereafter, as provided by Moody's 50.00%</td>
</tr>
<tr>
<td>DIP Loans</td>
<td>Pending assignment by Moody's on a case-by-case basis, 10.00% and, thereafter, as provided by Moody's</td>
</tr>
<tr>
<td>Finance Leases</td>
<td></td>
</tr>
</tbody>
</table>

**Table II**

Moody's Recovery Rates for Senior Secured Loans and Senior Secured Floating Rate Notes

<table>
<thead>
<tr>
<th>Number of rating sub-categories by which the Moody's Rating exceeds the Moody's Default Probability Rating</th>
<th>Recovery Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3 or less</td>
<td>20%</td>
</tr>
<tr>
<td>-2</td>
<td>30%</td>
</tr>
<tr>
<td>-1</td>
<td>40%</td>
</tr>
<tr>
<td>0</td>
<td>45%</td>
</tr>
<tr>
<td>1</td>
<td>50%</td>
</tr>
<tr>
<td>2</td>
<td>60%</td>
</tr>
<tr>
<td>3</td>
<td>60% or such higher recovery rate as provided by Moody's due to changes in its rating methodology</td>
</tr>
<tr>
<td>4 or more</td>
<td>60% or such higher recovery rate as provided by Moody's due to changes in its rating methodology</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs
### Table III

Moody’s Recovery Rates For Senior Unsecured Loans and Subordinated Loans

<table>
<thead>
<tr>
<th>Number of rating sub-categories by which the Moody’s Rating exceeds the Moody’s Default Probability Rating</th>
<th>Recovery Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3 or less</td>
<td>10.0%</td>
</tr>
<tr>
<td>-2</td>
<td>15.0%</td>
</tr>
<tr>
<td>-1</td>
<td>30.0%</td>
</tr>
<tr>
<td>0</td>
<td>40.0%</td>
</tr>
<tr>
<td>1</td>
<td>42.5%</td>
</tr>
<tr>
<td>2</td>
<td>45.0%</td>
</tr>
<tr>
<td>3</td>
<td>45.0% or such higher recovery rate as provided by Moody’s due to changes in its rating methodology</td>
</tr>
<tr>
<td>4 or more</td>
<td>45.0% or such higher recovery rate as provided by Moody’s due to changes in its rating methodology</td>
</tr>
</tbody>
</table>

### Table IV

Moody’s Recovery Rates For Bonds

<table>
<thead>
<tr>
<th>Number of rating sub-categories by which the Moody’s Rating exceeds the Moody’s Default Probability Rating</th>
<th>Recovery Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3 or less</td>
<td>2%</td>
</tr>
<tr>
<td>-2</td>
<td>10%</td>
</tr>
<tr>
<td>-1</td>
<td>15%</td>
</tr>
<tr>
<td>0</td>
<td>30%</td>
</tr>
<tr>
<td>1</td>
<td>35%</td>
</tr>
<tr>
<td>2 or more</td>
<td>40%</td>
</tr>
</tbody>
</table>

*The recovery rate for a subordinated debt security shall be 15% if its Moody’s Rating has been determined by reference to the definition of “Moody’s Derived Rating”.

“Moody’s Weighted Average Rating Factor”: As of any Measurement Date, will equal the number obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by its Moody’s Rating Factor, dividing such sum by the Aggregate Principal Amount of all such Collateral Obligations and rounding the result up to the nearest whole number.

“Moody’s Weighted Average Recovery Rate”: As of any Measurement Date, the number (expressed as a percentage) obtained by summing the product of the Moody’s Recovery Rate of each Collateral Obligation and the Principal Balance of such Collateral Obligation, and dividing such sum by the Aggregate Principal Amount of all such Collateral Obligations.

Confidential Treatment Requested by Goldman Sachs

QS MBS-E-001918300
Footnote Exhibits - Page 5170

"Non-U.S. Obligor": An issuer or obligor of a Collateral Obligation (i) that is not a Special Purpose Vehicle and (ii) that is organized in a sovereign jurisdiction other than the United States of America.

"Note Interest Rate": With respect to the Class B Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the annual rate at which interest accrues thereon, as specified in "Summary—The Offering—Securities Issued".

"Note Payment Sequence": The application, in accordance with the Priority of Payments, of Interest Proceeds or Principal Proceeds, as applicable, in the following order: to the payment of principal of the Class A Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class B Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class C Notes until redeemed or otherwise paid in full, then to the payment of principal of the Class D Notes until redeemed or otherwise paid in full and then to the payment of principal of the Class E Notes until redeemed or otherwise paid in full.

"Offer": (i) With respect to any Collateral Obligation or Eligible Investment, any offer by the issuer of such security or borrower with respect to such debt obligation or by any other Person made to all of the holders of such security or debt obligation to purchase or otherwise acquire such security or debt obligation (other than pursuant to any redemption in accordance with the terms of any related Reference Instrument or for the purpose of registering the security or debt obligation) or to exchange such security or debt obligation for any other security, debt obligation, cash or other property or (ii) with respect to any Collateral Obligation or Eligible Investment that constitutes a bond, any solicitation by the issuer of such security or borrower with respect to such debt obligation or any other Person to amend, modify or waive any provision of such security or debt obligation or any related Reference Obligation.

"Offering": The offering of the Securities on the Closing Date.

"Outstanding": With respect to a Class of Securities or all of the Securities, as of any date of determination, all of such Class of Securities or all of the Securities, therefore authenticated and delivered under the Indenture, except:

(a) Securities therefore canceled by the Registrar or delivered to the Registrar for cancellation;

(b) Securities, or, in each case, portions thereof for whose payment or redemption funds in the necessary amount have been therefore irrevocably deposited with the Trustee or any paying agent in trust for the Holders of such Securities; provided that if such Securities or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any such original Securities are held by a holder in due course;

(d) Securities alleged to have been mutilated, destroyed, lost or stolen for which replacement Securities have been issued as provided in the Indenture;

(e) in determining whether the Holders of the requisite Outstanding amount have given any request, demand, authorization, direction, notice, consent or waiver hereunder:

(i) Securities owned by the Issuer or the Co-Issuer shall be disregarded and deemed not to be Outstanding;

(ii) (1) with respect to any vote in connection with the removal and replacement of the Collateral Manager, any Securities held by, or with respect to which discretionary voting rights are held by, the Collateral Manager and/or its Affiliates, shall be disregarded and deemed not to be Outstanding, except that, with respect to

Confidential Treatment Requested by Goldman Sachs

GS M88-E-001918391
Footnote Exhibits - Page 5171

...
"Permitted Offer": An offer (i) pursuant to the terms of which the offeror offers to acquire a debt obligation (including a Collateral Obligation) in exchange for consideration consisting solely of cash in an amount equal to or greater than the full face amount of such debt obligation plus any accrued and unpaid interest and (ii) as to which the Collateral Manager has determined in its judgment that the offeror has sufficient access to financing to consummate the offer.

"Permitted Reinvestment Period": With respect to Principal Proceeds received during a Due Period, the period beginning on the day such Principal Proceeds are received by the Issuer and ending the later of the last day of (i) the Reinvestment Period and (ii) the Investment Due Period.

"Person": An individual, corporation (including a business trust, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), bank, unincorporated association or government or any agency or political subdivision thereof or any other entity of a similar nature.

"Plan": An employee benefit plan that is defined in Section 3(3) of ERISA and subject to Title I of ERISA or a plan that is defined in Section 401(a)(1) of the Code and subject to Section 4975 of the Code.

"Pledged Obligations": On any date of determination, the Collateral Obligations and the Eligible Investments owned by the Issuer that have been granted to the Trustee.

"Principal Allocated Accrued Interest": With respect to any date of determination after the Effective Date, the aggregate cumulative amount of accrued interest received in connection with sales of Accrued Interest Collateral Obligations that constitutes Sale Proceeds pursuant to subclauses (ii) and (iii) of the definition thereof.

"Principal Balance": As of any date of determination, with respect to any Collateral Obligation, Eligible Investment or cash, the outstanding principal amount of such Collateral Obligation, Eligible Investment or cash; provided, however, that:

(i) the Principal Balance of a Synthetic Security (a) as to which a credit event has not occurred thereunder shall be the notional amount or the outstanding principal amount, as the case may be, specified in such Synthetic Security and (ii) as to which a credit event has occurred thereunder, for purposes of calculating (A) the Par Value Reference, shall be as determined under subclause (ii) below, (B) the Collateral Quality Tests, shall be zero, and (C) the amounts payable to the Trustee and the Collateral Management Fee, shall be the notional amount or the outstanding principal amount specified in such Synthetic Security.

(ii) the Principal Balance of a Collateral Obligation received upon acceptance of an Offer (as described in subclause (i) of the definition thereof) (other than a Permitted Offer or an offer (as described in subclause (i) of the definition thereof) (other than a Permitted Offer) to exchange a Collateral Obligation for such Collateral Obligation shall, until such time as Interest Proceeds or Principal Proceeds, as applicable, are first received when due with respect to such Collateral Obligation, be deemed to be the issuer of (x) a percentage of the outstanding principal amount equal to the Moody’s Recovery Rate for such Collateral Obligation and (y) a percentage of the outstanding principal amount equal to the S&P Recovery Rate for such Collateral Obligation (determined with respect to each Class of Secured Notes and the relevant Par Value Ratio for such Class of Secured Notes, it being agreed that, with respect to the Class A/B Par Value Ratio, the S&P Recovery Rate shall be calculated by reference to the Class A Notes only), provided that, for the purpose of calculating (1) the Collateral Quality Tests and the Concentration Limitations, the Principal Balance of such Collateral Obligation shall be zero, (2) the amounts payable to the Trustee pursuant to the Indenture, the Principal Balance of such Collateral Obligation shall be the outstanding principal amount thereof and (3) the Collateral Management Fee, the Principal Balance of such Collateral Obligation shall be the outstanding principal amount thereof.

(iii) the Principal Balance of each Defaulted Obligation shall be deemed to be zero; provided that (1) for the purpose of calculating the amounts payable to the Trustee pursuant to the
Incurrence, the Principal Balance of a Defaulted Obligation shall be the outstanding principal amount of such Defaulted Obligation. (2) for the purpose of calculating the Collateral Management Fee, the Principal Balance of a Defaulted Obligation shall be the outstanding principal amount of such Defaulted Obligations and (3) for the purpose of calculating the Par Value Rates (including the calculation of the Class E Par Value Ratio for purposes of determining whether the Reinvestment Test has been satisfied), the Principal Balance of a Defaulted Obligation (A) that has been held by the Issuer for less than three years or (B) if held by the Issuer for more than three years, such Collateral Obligation does not constitute those Defaulted Obligations in excess of 2.0% of the Aggregate Principal Amount of the Collateral Portfolio shall be the product of either (i) the least of the Moody's Recovery Rate, the S&P Recovery Rate (determined with respect to each Class of Secured Notes and the relevant Par Value Ratio for such Class of Secured Notes, it being agreed that, with respect to the Class A/B Par Value Ratio, the S&P Recovery Rate shall be determined by reference to the Class A Notes only) and the Market Value (expressed as a percentage) for such Defaulted Obligation and (ii) the principal amount of such Defaulted Obligation (or, in the case of a Defaulted Obligation that is a Step-Up Coupon Security during a period for which no interest is payable or a Zero-Coupon Security, the accreted value thereof at the time of default) or (B) that has been held by the Issuer for three years or more and that constitutes those Defaulted Obligations in excess of 2.0% of the Aggregate Principal Amount of the Collateral Portfolio, shall be deemed to have a Principal Balance of zero;

(h) the Principal Balance of each Equity Security and Exchanged Equity Security shall be deemed to be zero;

(i) the Principal Balance of any Zero-Coupon Security which, by its terms, does not at any time pay interest thereon or any Step-Up Coupon Security (including the calculation of the Class E Par Value Ratio for purposes of determining whether the Reinvestment Test has been satisfied), the Principal Balance of any Deferrable Interest Obligation that is in accordance with its terms deferring interest or making payments due thereon "in kind" for (i) with respect to securities with a Moody's Rating of "B3" or lower, the lesser of 6 months or one payment period and (ii) with respect to securities with a Moody's Rating of "Baa3" or higher, the lesser of one year or two consecutive payment periods, shall be the product of (i) the least of the Moody's Recovery Rate, the S&P Recovery Rate (determined with respect to such Class of Secured Notes and the relevant Par Value Ratio for such Class of Secured Notes, it being agreed that, with respect to the Class A/B Par Value Ratio, the S&P Recovery Rate shall be determined by reference to the Class A Notes only) and the Market Value (expressed as a percentage) for such Deferrable Interest Obligation and (G) the principal amount of such Deferrable Interest Obligation;

(j) the Principal Balance of any Revolving Credit Facility or Delayed Funding Term Loan shall be the sum of the funded portion of such Revolving Credit Facility or Delayed Funding Term Loans.

-160-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918394
Footnote Exhibits - Page 5174

(4) subject to subclause (d) below, the Principal Balance of a Current Pay Obligation for purposes of calculating the Par Value Ratios (including the calculation of the Class E Par Value Ratio for purposes of determining whether the Reinvestment Test has been satisfied) shall be determined as follows: If on any date (without duplication) the Aggregate Principal Amount of all Class CCC Collateral Obligations exceeds 7.5% of the Aggregate Principal Amount (as calculated without taking into consideration this subclause (d) of the Collateral Portfolio, the Principal Balance of each Class CCC Collateral Obligation (or portion of a Class CCC Collateral Obligation) in excess of 7.5% of the Aggregate Principal Amount (as calculated without taking into consideration this subclause (d) of the Collateral Portfolio will be included in the calculation of compliance with the Par Value Tests at each Collateral Obligation’s Market Value. If it is understood that for purposes of determining the Class CCC Collateral Obligations (or portion of a Class CCC Collateral Obligation) comprising the excess of 7.5% of the Aggregate Principal Amount (as calculated without taking into consideration this subclause (d) of the Collateral Portfolio, the Class CCC Collateral Obligations (or portion of a Class CCC Collateral Obligation) that have the lowest Market Value shall be deemed to comprise such excess;

(e) subject to subclause (b) below, the Principal Balance of a Discount Collateral Obligation for purposes of calculating the Par Value Ratios (including the calculation of the Class E Par Value Ratio for purposes of determining whether the Reinvestment Test has been satisfied) shall be the lesser of its Market Value and 90% of its outstanding principal amount;

(f) for purposes of calculating the Par Value Ratios (including the calculation of the Class E Par Value Ratio for purposes of determining whether the Reinvestment Test has been satisfied), the Principal Balance of a Collateral Obligation that has the characteristics of a Current Pay Obligation, a Class CCC Collateral Obligation (without giving effect to the proviso in the definition thereof and/or a Discount Collateral Obligation shall be the lesser of the values that corresponds to the relevant type of Collateral Obligations (as determined by subclause (b), (d) and/or (f) above);

(g) for purposes of calculating each of the Par Value Ratios (including the calculation of the Class E Par Value Ratio for purposes of determining whether the Reinvestment Test has been satisfied but not including calculating the Minimum Par Value Ratio), the Principal Balance of the portion of principal due on a Collateral Obligation after the Stated Maturity shall be (a) with respect to any such portion of principal due in one year or less following the Stated Maturity, (1) if such Collateral Obligation is a loan, 60% of the amount of such principal due in one year or less following the Stated Maturity and (2) if such Collateral Obligation is a bond, 75% of the amount of such principal due in one year or less following the Stated Maturity, or (b) with respect to any such portion of principal due after one year following the Stated Maturity, the amount of such portion of principal multiplied by the lower of its Moody’s Recovery Rate and its S&P Recovery Rate (determined with respect to each

Confidential Treatment Requested by Goldman Sachs

QS MBS-E-001918395
Footnote Exhibits - Page 5175

Class of Secured Notes and the relevant Par Value Ratio for such Class of Secured Notes; it being agreed that, with respect to the Class A/B Par Value Ratio, the S&P Recovery Rate shall be determined by reference to the Class A Notes only:

(xiv) for the avoidance of doubt, the Principal Balance of a DIP Loan will be the outstanding principal amount thereof; and

(xv) for the avoidance of doubt, the Principal Balance of any Substitute Deliverable Obligation will be deemed to be zero.

"Principal Payments": With respect to any Payment Date, an amount equal to the sum of any payments of principal (including optional or mandatory redemptions or prepayments) received on the Pledged Obligations during the related Due Period, including payments of principal received in respect of exchange offers and tender offers and recoveries on Defaulted Obligations up to the outstanding principal amount thereof (including, without limitation, any payments received by the Issuer upon the occurrence of a "credit event" under a Synthetic Security up to the Principal Balance of such Synthetic Security), but not including Sale Proceeds received during the Reinvestment Period.

"Principal Proceeds": With respect to any Payment Date and the Stated Maturity, without duplication:

(i) all Principal Payments, including Unscheduled Principal Payments, received during the related Due Period on the Pledged Obligations;

(ii) any amounts, distributions or proceeds (including resulting from any sale) received on any Defaulted Obligations (other than proceeds that constitute Interest Proceeds under subsection (g) of the definition thereof) during the related Due Period if the outstanding principal amount thereof then due and payable has not been received by the Issuer after giving effect to the receipt of such amounts, distributions or proceeds, as the case may be;

(iii) all premiums (including prepayment premiums) received during the related Due Period on the Collateral Obligations;

(iv) (A) any amounts constituting unused proceeds remaining in the Principal Collection Account and the Subordinated Securities Principal Collection Account from the offering (1) at the end of the Reinvestment Period or (2) on any Determination Date on which any of the Par Value Tests are not satisfied or on any Determination Date on or after the Second Determination Date on which any of the Interest Coverage Tests are not satisfied, other than Reinvestment income (which shall be treated as Interest Proceeds), (B) all amounts transferred to the Principal Collection Account from the Expense Reserve Account during the related Due Period and (C) any Principal Proceeds and unused proceeds designated for application as Principal Proceeds as set forth in "Security for the Secured Notes—Principal Collection Account";

(v) Sale Proceeds received during the related Due Period (excluding any Sale Proceeds received in connection with an optional redemption of the Securities);

(vi) (A) any net termination payments paid to the Issuer under any Hedge Agreement during the related Due Period (excluding any amounts received in connection with an optional redemption of the Securities); and

(B) any upfront payment made by a Hedge Counterparty during the related Due Period that is not a replacement Hedge Counterparty if so designated by the Collateral Manager; and
Footnote Exhibits - Page 5176

(C) any upfront payment made by a replacement Hedge Counterparty during the related Due Period in excess of any hedge termination payment required to be paid by the issuer to the replaced Hedge Counterparty;

(vii) proceeds received from any additional issuance of Securities if treated as Principal Proceeds in accordance with the Treatment of Additional issuances of Securities.

(viii) any amounts transferred from the Synthetic Security Collateral Account that are deposited in the Principal Collection Account during the related Due Period;

(ix) any up-front payments received in connection with the purchase of a Synthetic Security;

(x) any amounts transferred to the Principal Collection Account from the Revolving Credit Facility Reserve Account; and

(xi) all other payments received during the related Due Period on the Collateral not included in Interest Proceeds;

provided that any of the amounts referred to in subclauses (i) through (x) above shall be excluded from Principal Proceeds to the extent such amounts were previously reinvested in Collateral Obligations or are designated by the Collateral Manager as retained for investment or funding in accordance with the reinvestment criteria and certain other restrictions set forth in the indenture; provided, however, that with respect to the final payment date, "Principal Proceeds" shall include any amounts referred to in subclauses (i) through (x) above that are received from the sale of Collateral Obligations on or prior to the day immediately preceding the final Payment Date.

For the avoidance of doubt, if the Issuer receives any payment from a Securities Lending Counterparty pursuant to a related Securities Lending Agreement, the portion of such payment that would have constituted Principal Proceeds had such payment been paid from the Issuer of such Issued Collateral Obligation to the Issuer shall constitute Principal Proceeds, and prior to an event of default, as such term is defined under the related Securities Lending Agreement, any other payment received by the Issuer under the related Securities Lending Collateral shall not constitute Principal Proceeds and such amounts shall be deposited in the Securities Lending Account.

"Proceeds": (i) Any property (including but not limited to cash and securities) received as a Distribution on the Collateral or any portion thereof, (ii) any property (including but not limited to cash and securities) received in connection with the sale, liquidation, exchange or other disposition of the Collateral or any portion thereof, including any amounts resulting from the sale or disposition of any security pledged as collateral pursuant to a Securities Lending Agreement and (ii) all proceeds (as such term is defined in the UCC) of the Collateral or any portion thereof.

"Proposed Portfolio": The Collateral Portfolio resulting from the sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment of Principal Proceeds or Interest Proceeds, as the case may be, in a Substitute Collateral Obligation, as the case may be.

"Purchase Agreement": The purchase agreement, dated as of December 6, 2006, among the Issuer, the Co-Issuer and Goldman Sachs & Co., as the Initial Purchaser.

"Qualified Institutional Buyer": A qualified institutional buyer as defined in Rule 144A.

"Qualified Purchaser": Any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of the Securities, is a qualified purchaser for purposes ofSection 2(a)(11) of the Investment Company Act.
Footnote Exhibits - Page 5177

"Rating Agencies": Moody's and S&P (each, a "Rating Agency") or, with respect to Collateral Obligations generally, if at any time Moody's or S&P ceases to provide rating services generally, any other nationally recognized investment rating agency selected by the Issuer and reasonably satisfactory to a Majority of the Controlling Class. In the event that at any time the Rating Agencies do not include Moody's or S&P, references to rating categories of Moody's or S&P in the Indenture shall be deemed instead to be references to the equivalent categories of such other rating agency as of the most recent date on which such other rating agency and Moody's or S&P published ratings for the type of security in respect of which such alternative rating agency is used; provided that, with respect to S&P, the ratings of such other rating agency may not be used for notching purposes without S&P's written approval. References to Rating Agencies with respect to a Class of Secured Notes shall apply only to Rating Agencies that assigned a rating (public or confidential) to such Class of Secured Notes on the Closing Date.

"Redemption Date": Any date specified for a redemption of Securities pursuant to the Indenture or if such date is not a Business Day, the next following Business Day.

"Reference Instrument": The indenture, credit agreement or other agreement pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Collateral Obligation or of which the holders of such Collateral Obligation are the beneficiaries.

"Reference Obligation": An obligation upon which a Synthetic Security is based; provided that such debt security or other obligation:

(i) is not itself a Synthetic Security or a Structured Finance Security;

(ii) satisfies (and, if owned by the Issuer, would satisfy) the definition of "Collateral Obligation" except for subclauses (k), (l), (m), (n), (o) and (p) of the definition of "Collateral Obligation";

(iii) is not an Equity Security.

"Reference Obligor": An obligor on a Reference Obligation (if a Reference Obligation is specified) or a reference entity (if no Reference Obligation is specified).

"Registrar": The register maintained by the Trustee or any Registrar with respect to the Securities under the Indenture.

"Registered": A debt obligation that is issued after July 18, 1984 and that is in registered form within the meaning of Section 4A(2)(B)(ii) of the Code and the Treasury regulations promulgated thereunder. The lesser of an interest in a grantor trust will be considered to be Registered if such interest is in registered form and each of the obligations or securities held by such trust was issued after July 18, 1984.

"Registrar": The agent appointed by the Issuer under the Indenture to act as registrar for the purpose of registering and recording in the Register the Securities and transfers of such Securities.

"Regulation D" or "Reg D": Regulation D under the Securities Act.

"Regulation S" or "Reg S": Regulation S under the Securities Act.

"Regulation S Global Class E Notes": One or more permanent global notes for the Class E Notes.

"Regulation S Global Secured Notes": One or more permanent global notes for the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in fully registered form without interest coupons sold in reliance on exemption from registration under Regulation S with the applicable legends set forth in the Indenture added to the form of such Class Notes.
Regulation S with the applicable legends set forth in the exhibit to the Indenture added to the form of such Secured Notes.

"Regulation S Global Securities": Collectively, the Regulation S Global Secured Notes and the Regulation S Global Subordinated Securities.

"Regulation S Global Subordinated Securities": One or more permanent global securities for the Subordinated Securities in fully registered form without interest coupons sold in reliance on exemption from registration under Regulation S.

"Regulation U": Regulation U issued by the Board of Governors of the Federal Reserve System.

"Reinvestment Income": Any interest or other earnings on unused proceeds deposited in the Principal Collection Account or the Subordinated Securities Principal Collection Account, as the case may be.

"Reinvestment Test": A test satisfied as of any Measurement Date during the Reinvestment Period if the Class E Par Value Ratio is equal to or greater than the applicable amount set forth under "Summary—The Offering—Coverage Tests and the Reinvestment Test". The Reinvestment Test is calculated using the same methodology as the Class E Par Value Test.

"Repository": The Internet-based password protected electronic repository of transaction documents relating to privately offered and sold collateralized debt obligation securities located at "www.cdslibrary.com" operated by The Bond Market Association and Index or any other CDO modeling service selected by the Collateral Manager (provided that the delivery requirements of any such other CDO modeling service selected by the Collateral Manager shall be reasonably acceptable to the Trustee and Collateral Administrator).

"Required Hedge Counterparty Rating": Except to the extent otherwise approved by the Rating Agencies, with respect to a counterpart or entity guaranteeing the obligations of such counterpart, (a) either (i) if such counterpart or entity has only a long-term rating by Moody's, a long-term senior unsecured debt rating, financial program rating, derivatives counterparty rating, counterpart risk rating or similar rating (as the case may be, the "long-term rating") of at least "A3" by Moody's or (ii) if such counterpart or entity has a long-term rating and a short-term rating by Moody's, a long-term rating of at least "A1" by Moody's and a short-term rating of "P-1" by Moody's and, in each case, such rating is not on negative credit watch by Moody's and (b) if such counterpart or entity does not have a long-term rating, a long-term rating of at least "A+" by S&P.

"Revolving Credit Facility": A debt instrument that provides the borrower with a line of credit against which one or more borrowings may be made to the stated principal amount of such facility and which provides that such borrowed amount may be repaid and reborrowed from time to time, provided that such debt instrument shall only be considered a Revolving Credit Facility for so long as any future funding obligations remain in effect and only with respect to any portion which constitutes a future funding obligation.

"Revolving Credit Facility Net-Back": An amount representing a purchase price adjustment received by the Issuer in connection with the acquisition of a Revolving Credit Facility.

"Revolving Credit Facility Reserve Account": The trust account or accounts so designated and established pursuant to the Indenture.

"Rule 144A": Rule 144A under the Securities Act.

"Rule 144A Global Class E Notes": One or more permanent global notes for the Class E Notes in fully registered form without interest coupons sold in reliance on exemption from registration under Rule 144A with the applicable legends set forth in the exhibit to the Indenture added to the form of such Class E Notes.

Confidential Treatment Requested by Goldman Sachs
"Rule 144A Global Secured Notes": One or more permanent global notes for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Rule 144A Global Class E Notes in fully registered form without interest coupons sold in reliance on exemption from registration under Rule 144A with the applicable legends set forth in the exhibit to the indenture added to the form of such Secured Notes.

"S&P": Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. or any successor in the ratings business thereof.

"S&P CDO Evaluator": A dynamic, analytical computer program developed by S&P to determine the credit risk of a portfolio of Collateral Obligations, which will be provided to the Collateral Manager and the Issuer after the Effective Date, and which may be modified by S&P from time to time.

"S&P CDO Evaluator Test": A test satisfied, as of any Measurement Date after the Reinvestment Period if, after giving effect to any purchase or sale (or both, if applicable) of a Collateral Obligation, as the case may be, each of the Class A Scenario Default Rate, the Class B Scenario Default Rate, the Class C Scenario Default Rate, the Class D Scenario Default Rate and the Class E Scenario Default Rate is maintained or improved.

"S&P CDO Monitor": A dynamic, analytical computer program developed by S&P to determine the credit risk of a portfolio of Collateral Obligations and which may be modified by S&P from time to time which is used to determine the credit risk of a portfolio of underlying instruments, and which will be provided to the Collateral Manager, the Trustee and the Issuer (together with all assumptions and instructions necessary for running such program) after the Effective Date.

"S&P Priority Category": The meaning ascribed to such term in the table that is included under clause (b) in the definition of "S&P Weighted Average Recovery Rate".

"S&P Rating": With respect to a Collateral Obligation, the rating determined as follows (for the Issuer or the obligation, as applicable):

(i) if there is an Issuer Credit Rating by S&P of the Issuer of such Collateral Obligation, or the guarantor who unconditionally and irrevocably guarantees such Collateral Obligation, then the S&P Rating of such Issuer, or the guarantor, shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Obligation of such Issuer held by the Issuer);

(ii) if there is not an Issuer Credit Rating by S&P of the Issuer of such Collateral Obligation, then the S&P Rating of such Collateral Obligation shall be such rating:

(iii) if such Collateral Obligation is a senior secured or senior unsecured obligation of the Issuer:

(a) if there is not an Issuer Credit Rating of a rating on a senior secured obligation of the Issuer by S&P, but there is a rating by S&P on a senior secured obligation of the Issuer, then the S&P Rating of such Collateral Obligation shall be one subcategory below such rating; and

(b) if there is not an Issuer Credit Rating of a rating on a senior unsecured or senior secured obligation of the Issuer by S&P, but there is a rating by S&P on a subordinated obligation of the Issuer, then the S&P Rating of such Collateral Obligation shall be one subcategory above such rating if such rating is higher than "BB" and will be two subcategories above such rating if such rating is "BB" or lower.
Footnote Exhibits - Page 5180

with respect to any Collateral Obligation that is a Synthetic Security, the S&P Rating of such Synthetic Security shall be determined in accordance with the table set forth in "Security for the Secured Notes—Certain Matters Relating to Synthetic Securities".

(4) If S&P has provided an estimated rating with respect to such DIP Loan, the S&P rating of such DIP Loan will be the estimated rating of such DIP Loan as provided by S&P.

(5) If the Issuer or the Collateral Manager on behalf of the Issuer has applied to S&P for a rating estimate, pending receipt from S&P of such estimate, such DIP Loan shall have an S&P Rating of "B" if the Collateral Manager believes that such estimate will be at least "B-", and if the Aggregate Principal Amount of Collateral Obligations that have an S&P Rating by reason of this subsection (a)(5), together with the Aggregate Principal Amount of Collateral Obligations that have an S&P Rating by reason of the first proviso to subsection (a)(5) below, does not exceed 15% of the Aggregate Principal Amount of all Collateral Obligations, provided, however, that, if the rating estimate subsequently provided by S&P for any such DIP Loan is below "B-", then the Collateral Manager shall no longer have the ability to assign ratings to any DIP Loans pursuant to this subsection (a)(5), and (5) in all other cases, such DIP Loan shall have an S&P Rating of "CCC+".

(6) If such Collateral Obligation is a Structured Finance Security, the S&P Rating of such Collateral Obligation shall be determined as follows:

(a) If S&P has assigned a rating to such Collateral Obligation either publicly or privately (in the case of a private rating, with the appropriate consents for the use of such private rating), the S&P Rating shall be the rating assigned thereto by S&P.

(b) If such Collateral Obligation is not rated by S&P but the Issuer or the Collateral Manager on behalf of the Issuer has requested that S&P assign a rating to such Collateral Obligation, the S&P Rating shall be the rating so assigned by S&P, provided that pending receipt from S&P of such rating, if such Collateral Obligation is not eligible for nothing in accordance with a certain schedule ("Schedule H") to the Indenture, such Collateral Obligation shall have an S&P Rating of "CCC-", otherwise such S&P Rating shall be the rating assigned according to another schedule ("Schedule G") to the Indenture until such time as S&P shall have assigned a rating thereto, or

(c) If any Collateral Obligation is a Collateral Obligation that has not been assigned a rating by S&P and is not a Collateral Obligation listed in Schedule H to the Indenture, as identified by the Collateral Manager, the S&P Rating of such Collateral Obligation shall be determined in accordance with Schedule G to the Indenture, provided that if any Collateral Obligation shall, at the time of its purchase by the Issuer, be listed for a possible upgrade or downgrade on either Moody’s or Fitch at current credit rating watch list, then the S&P Rating of such Collateral Obligation shall be one subcategory above or below, respectively, the rating then assigned to such item in accordance with Schedule G to the Indenture, provided, further, that the aggregate Principal Balance of the Collateral Obligation that may be given a rating based on this subparagraph (c) may not exceed 10% of the Aggregate Principal Amount of Collateral Obligations.

-187-

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918401

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01113 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
(vii) If such Collateral Obligation is a Finance Lease that is cancelable or does not have a "call or highwater" provision, then the S&P Rating of such Finance Lease shall be (1) with respect to a Finance Lease that has an S&P facility rating, such S&P facility rating and (2) with respect to a Finance Lease that has no S&P facility rating, the estimated rating of such Finance Lease as provided by S&P;

(b) If subclauses (i) through (vii) above do not apply, then the S&P Rating for such Collateral Obligation may be determined using any one of the methods below:

(a) If an obligation of the Issuer has a published rating from Moody's, then the S&P Rating will be determined in accordance with the methodologies for establishing the Moody's Rating, except that the S&P Rating of such obligation shall be (1) one subcategory below the Moody's equivalent of the Moody's Rating if such security has a Moody's Rating of "Ba3" or higher and (2) two subcategories below the S&P equivalent of the Moody's Rating if such security has a Moody's Rating of "Ba1" or lower, provided that no more than 19% of the Collateral Obligations, by Aggregate Principal Amount, may be given an S&P Rating based on a rating given by Moody's as provided in this subclause (a);

(b) If no security or obligation of the Issuer or obligor is rated by S&P or Moody's, then the Issuer or the Collateral Manager on behalf of the Issuer may apply to S&P for a rating estimate, which shall be its S&P Rating; provided, that pending receipt from S&P of such estimate, such Collateral Obligation shall have an S&P Rating of "CCC", if the Collateral Manager believes that such estimate will be at least "B" and if no more than 10% of the Collateral Obligations, by Aggregate Principal Amount, have such S&P Rating by reason of this proviso or subclause (v)(2)(b) above; provided, further, that the Trustee, the Issuer and the Collateral Manager will not disclose any such estimated rating received from S&P;

(c) If a security or obligation is not otherwise rated by S&P or Moody's and the Issuer or the Collateral Manager on behalf of the Issuer elects not to apply to S&P for a rating estimate, which would otherwise be its S&P Rating, such security or obligation shall have an S&P Rating of "CCC";

(d) notwithstanding the foregoing, so long as any of the Secured Notes remain Outstanding and are rated by S&P, prior to or immediately following the acquisition of any Collateral Obligation not publicly rated by S&P and on or prior to each one year anniversary of the acquisition of any such Collateral Obligation, the Issuer shall submit to S&P a request to perform a credit estimate on such Collateral Obligation, together with all information reasonably required by S&P to perform such estimate.

Notwithstanding anything to the contrary in any of the foregoing:

(1) If such Collateral Obligation is (a) on S&P then current watchlist for upgrade, it shall be treated as upgraded by one rating subcategory or (b) on watchlist for downgrade, it shall be treated as downgraded by one rating subcategory unless S&P has notified the Collateral Manager that such downgrade treatment is no longer required;

(2) if the obligor (or guarantor, as applicable) of a Collateral Obligation is not organized in the United States or its territories, then any reference to the S&P issuer credit rating in this definition shall mean the S&P foreign currency issuer credit rating of such obligor (or guarantor, as applicable);

(3) any reference in this definition to an S&P credit rating shall mean the public S&P credit rating unless (i) the obligor of a Collateral Obligation and any noteholders of such Collateral Obligation have provided written authorization to S&P (which form of authorization shall be...
Footnote Exhibits - Page 5182

satisfactory to S&P for the use of such private or confidential credit rating in this transaction and (6) such private or confidential credit rating is continuously monitored by S&P;

(4) any S&P credit rating that contains a qualifier, including "p", "sp", "t", "r" or "q", shall not be a valid credit rating for use in this definition unless such use is by the issuer or the Collateral Manager satisfies the S&P Rating Condition; and

(5) any reference in this definition to an S&P rating estimate or estimated rating must be such rating provided by S&P in writing and any such rating shall expire after one year of its provision by S&P.

"S&P Rating Condition": With respect to any proposed action to be taken under the indenture or any other document contemplated by the indenture, a condition that is satisfied when S&P has confirmed in writing to the Issuer, the Trustee and the Collateral Manager that an immediate withdrawal or reduction with respect to any then-current rating by S&P of any Class of Secured Notes will not occur as a result of such proposed action.

"S&P Recovery Rate": The meaning ascribed to such term in the table that is included in the definition of "S&P Weighted Average Recovery Rate".

"S&P Recovery Rating": The S&P recovery rating assigned to a Collateral Obligation and used in the tables included under clause (a) in the definition of "S&P Weighted Average Recovery Rate".

"S&P Weighted Average Recovery Rate": At any Measurement Date, the number (expressed as a percentage) obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by its S&P Recovery Rate (as set forth below in clause (a) or, if clause (a) is not applicable, then clause (b) or (c), as applicable), dividing such sum by the Aggregate Principal Amount of all such Collateral Obligations.

(a) (i) If a Collateral Obligation has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1+</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>92%</td>
<td>93%</td>
<td>94%</td>
<td>96%</td>
<td>98%</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>84%</td>
<td>85%</td>
<td>86%</td>
<td>90%</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>3</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
<td>69%</td>
<td>72%</td>
<td>74%</td>
</tr>
<tr>
<td>4</td>
<td>40%</td>
<td>42%</td>
<td>44%</td>
<td>46%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>5</td>
<td>16%</td>
<td>17%</td>
<td>19%</td>
<td>21%</td>
<td>23%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918403
Footnote Exhibits - Page 5183

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1+</td>
<td>53%</td>
<td>55%</td>
<td>57%</td>
<td>59%</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>1</td>
<td>48%</td>
<td>50%</td>
<td>52%</td>
<td>54%</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>2</td>
<td>43%</td>
<td>45%</td>
<td>47%</td>
<td>49%</td>
<td>51%</td>
<td>51%</td>
</tr>
<tr>
<td>3</td>
<td>39%</td>
<td>41%</td>
<td>43%</td>
<td>45%</td>
<td>47%</td>
<td>47%</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>5</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

S&P Recovery Rate

"The S&P Recovery Rate will be the applicable rate set forth above based on the applicable Class of Secured Notes and the current rating thereof at the time of determination.

(1) If (a) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation belongs to any one of the following S&P Priority Categories (as described in clause (b) below): Senior Unsecured Loans, Senior Secured Floating Rate Notes, or senior secured debt securities and (b) the issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation, belongs to any one of the following S&P Priority Categories (as described in clause (b) below): Senior Secured Loans, Senior Secured Floating Rate Notes, or senior secured debt securities, and has an S&P Recovery Rating (such other debt instrument, a "Senior Debt Instrument"), the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

Confidential Treatment Requested by Goldman Sachs

GS MISS-E-001918404
Footnote Exhibits - Page 5184

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1+</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>1</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>2</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>4</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>5</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

S&P Recovery Rate

*The S&P Recovery Rate will be the applicable rate set forth above based on the applicable Class of Secured Notes and the current rating thereof at the time of determination.*

If clause (a) is not applicable, the S&P Recovery Rate shall be determined as follows:

<table>
<thead>
<tr>
<th>S&amp;P Priority Category</th>
<th>S&amp;P Rating of Secured Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Secured Loans</td>
<td>55%</td>
</tr>
<tr>
<td>(a) Senior Unsecured Loans and (b)Second Lien Loans not exceeding 15% of the Aggregate Principal Amount of the Collateral Portfolio</td>
<td>40%</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MISS-E-001918405
### Footnote Exhibits - Page 5185

<table>
<thead>
<tr>
<th>(a) Subordinated Loans and (b) Second Lien Loans in excess of 15% of the Aggregate Principal Amount of the Collateral Portfolio</th>
<th>22%</th>
<th>22%</th>
<th>22%</th>
<th>22%</th>
<th>22%</th>
<th>22%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Secured Floating Rate Notes</td>
<td>56%</td>
<td>60%</td>
<td>64%</td>
<td>67%</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Senior secured debt securities</td>
<td>48%</td>
<td>49%</td>
<td>50%</td>
<td>51%</td>
<td>52%</td>
<td>52%</td>
</tr>
<tr>
<td>Senior unsecured debt securities</td>
<td>38%</td>
<td>41%</td>
<td>42%</td>
<td>44%</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>Subordinated debt securities</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>DIP Loans</td>
<td>56%</td>
<td>50%</td>
<td>64%</td>
<td>57%</td>
<td>70%</td>
<td>70%</td>
</tr>
</tbody>
</table>

#### Structured Finance Securities

See S&P Weighted Average Structured Finance Metric or, at the election of the Collateral Manager, as assigned by S&P on a case-by-case basis.

S&P Recovery Rate

*The S&P Recovery Rate will be the applicable rate set forth above based on the applicable Class of Secured Notes and the current rating thereof at the time of determination.*

---

(c) If the rating of any Class of Secured Notes by S&P is below "CCC-" or has been withdrawn by S&P, the S&P Recovery Rate relating to such Class of Secured Notes with respect to any Collateral Obligations shall be as assigned by S&P on a case-by-case basis.

*S&P Weighted Average Structured Finance Metric*: The following information has been provided to the Issuer by S&P and the asset classes and related capitalized terms, to the extent not defined in the Indenture, have been provided thereto by S&P.

(d) Subject to subclause (c) through (f) below, if a Structured Finance Security is the senior-most tranche of securities issued by the relevant obligor, the S&P Recovery Rate shall be as set forth below:

<table>
<thead>
<tr>
<th>S&amp;P Rating at the time of determination</th>
<th>AAA</th>
<th>AA</th>
</tr>
</thead>
<tbody>
<tr>
<td>If current rating of senior CLO tranches is &quot;AAA&quot;</td>
<td>80.00%</td>
<td>70.00%</td>
</tr>
<tr>
<td>If current rating of senior CLO tranches is &quot;AA&quot;</td>
<td>90.00%</td>
<td>85.00%</td>
</tr>
<tr>
<td>If current rating of senior CLO tranches is &quot;BB+&quot;</td>
<td>90.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>If current rating of senior CLO tranches is &quot;BBB-&quot;</td>
<td>90.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>If current rating of senior CLO tranches is &quot;CCC-&quot;</td>
<td>90.00%</td>
<td>90.00%</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918406
Footnote Exhibits - Page 5186

A 90.00% 85.00% 75.00% 85.00% 90.00% 85.00% 90.00% 85.00% 85.00% 85.00%
BBB 50.00% 55.00% 65.00% 75.00% 85.00% 85.00% 85.00% 85.00% 85.00% 85.00%

(b) Subject to subclause (c) through (i) below, if a Structured Finance Security is not the senior-most tranche of securities issued by the relevant obligor, the S&P Recovery Rate shall be as set forth below:

| If current rating of senior tranche is | If current rating of senior tranche is | If current rating of senior tranche is | If current rating of senior tranche is | If current rating of senior tranche is | If current rating of senior tranche is |
| AAA | AA | A | BBB | BB | B |
| 65.00% | 70.00% | 80.00% | 85.00% | 90.00% | 85.00% | 85.00% | 85.00% | 85.00% | 85.00% |

S&P Rating at the time of determination

AAA 65.00% 70.00% 80.00% 85.00% 90.00% 85.00% 85.00% 85.00% 85.00% 85.00%
AA 55.00% 65.00% 75.00% 80.00% 80.00% 80.00% 80.00% 80.00% 80.00% 80.00%
A 45.00% 55.00% 65.00% 75.00% 80.00% 80.00% 80.00% 80.00% 80.00% 80.00%
BBB 35.00% 45.00% 55.00% 65.00% 75.00% 80.00% 80.00% 80.00% 80.00% 80.00%
BB 20.00% 30.00% 40.00% 50.00% 60.00% 70.00% 80.00% 90.00% 90.00% 90.00%
B 10.00% 20.00% 30.00% 40.00% 50.00% 60.00% 70.00% 80.00% 80.00% 80.00%
CCC 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

* Applies only to Junior AAA tranche that are not pari passu with the Senior AAA tranche after an Event of Default is triggered.

(c) If such Structured Finance Security is a CDO of ABS, CDO of CDOs or a Market Value CDO, the recovery rate will be determined by S&P on a case by case basis.

(d) If such Structured Finance Security is a REIT Debt Security, the recovery rate will be 40.00%.

(e) If such Structured Finance Security has its payment obligations guaranteed by a primary monoline insurer, then the recovery rate will be 50.00%.

(f) If such Structured Finance Security is a Non-FER Company Guaranteed Security, the recovery rate will be 40.00%.

"Sale Proceeds": All amounts representing:

(i) proceeds from the sale of other disposition of any Collateral Obligation (other than Defaulted Obligations) or an Equity Security (including any accrued interest thereon, as provided for in subclauses (i) and (ii) below);

(ii) to the extent that the sale of the Accrued Interest Collateral Obligation occurs on or about the date on which the Minimum Par Value Ratio is not satisfied, accrued interest received in connection with the sale of such Accrued Interest Collateral Obligation up to an amount equal to the greater of the amount of Unremitted Principal Proceeds as of such date and zero;

(iii) at the Collateral Manager's sole discretion, any accrued interest received in connection with the sale of any Collateral Obligation not included in subclause (i) above or any Eligible Investment purchased with any proceeds described in subclause (ii).
(v) any proceeds from liquidating Securities Lending Collateral after an event of default, as such term is defined under the related Securities Lending Agreement, has occurred and is continuing under a Securities Lending Agreement (but not to exceed the amount of the Securities Lending Counterparty’s obligations owed to the Issuer); and

(vi) any proceeds of the foregoing, including from the sale of Eligible Investments purchased with any proceeds described in subclause (i) above (including any accrued interest thereon, but only to the extent so provided in subclause (ii) above).

In the case of each of subclauses (i) through (v), Sale Proceeds (a) shall only include proceeds received on or prior to the last day of the relevant Due Period (or with respect to the final Payment Date, the day immediately preceding the final Payment Date) and (b) shall not be net of any reasonable amounts incurred by the Collateral Manager or the Trustee in connection with such sale or other disposition.

"Scheduled Payment Date": Each February 18, May 18, August 18, and November 18 each year (or, if such day is not a Business Day, then the next succeeding Business Day), commencing August 18, 2007 and ending on the Stated Maturity.

"Second Determination Date": With respect to the second Scheduled Payment Date to occur after the Closing Date, the last Business Day of the Immediately preceding Due Period.

"Second Lien Loan": A Loan that (i) is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under the Loan, other than a Senior Secured Loan, and (ii) is secured by a valid and perfected security interest or lien on specified collateral securing the obligor's obligations under such Loan, which security interest or lien is not subordinate to the security interest or lien securing any other debt for borrowed money other than a Senior Secured Loan on such specified collateral; provided, however, that with respect to clauses (i) and (ii) above, such right of payment, security interest or lien may be subordinate to customary permitted liens, such as, but not limited to, tax liens.

"Secured Note Redemption Price": With respect to the Secured Notes, an amount equal to the Aggregate Outstanding Amount thereof on a Redemption Date.

"Secured Notes": Collectively, the Co-Issued Notes and the Class E Notes.

"Secured Parties": (i) the Trustee, (ii) the Holders of the Secured Notes, (iii) the Hedge Counterparties, (iv) the Collateral Manager, (v) any Synthetic Security Counterparty in respect of a Synthetic Security which requires the Issuer to place funds in a Synthetic Security Collateral Account pursuant to the Indenture (but, in the case of subclause (v), only with respect to the applicable Synthetic Security Collateral Account) and (vi) the Collateral Administrator.

"Securities": Collectively, the Class B Notes, the Class A Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Securities.

"Securities Account Control Agreement": The agreement dated January 18, 2007, by and among the Issuer, the Trustee and the Bank, as Securities Intermediary.

"Securities Act": The U.S. Securities Act of 1933, as amended.

"Securities Intermediary": The meaning specified in Section 8-102(a)(14) of the UCC.

"Securities Lending Agreement": An agreement pursuant to which, for a term of 90 days or less, the Issuer agrees to loan any Securities Lending Counterparty one or more Collateral Obligations and such Securities Lending Counterparty agrees to post Securities Lending Collateral with the Trustee or a Securities Intermediary to secure its obligation to return to the Issuer the Collateral Obligations.
"Securities Lending Collateral Losses": With regard to any collateral posted by a Securities Lending Counterparty to the Issuer to secure the Securities Lending Counterparty's obligations under a Securities Lending Agreement, the positive difference, if any, between the value of the Collateral Obligations lent pursuant to the terms of a Securities Lending Agreement and the value of such collateral from the date such collateral was posted until the applicable date of determination, provided, however, that the amount of such difference will not be Securities Lending Collateral Losses unless the Issuer invests such collateral and is obligated, under the applicable Securities Lending Agreement, to return collateral the value of which is equal to the value of the posted collateral as of the date of the posting of such collateral to such Securities Lending Counterparty.

"Securities Lending Counterparty": Any bank, broker-dealer or other financial institution that has a short-term senior unsecured debt rating or a guarantor with a rating of "P-1" from Moody's (and not placed on credit watch by Moody's) and "A-1" from S&P (and if so rated by S&P, must be not placed on credit watch by S&P) or, if no such short-term ratings are available, a long-term rating of at least "A1" by Moody's and a long-term rating of at least "A+" by S&P. No more than 20% of the Aggregate Principal Amount of the Collateral Portfolio may be loaned pursuant to Securities Lending Agreements regardless of duration.

"Selling Institution": Each institution from which a Participation is acquired. Immediately following the time a Participation is acquired by the Issuer, the percentage of the Aggregate Principal Amount of the Collateral Portfolio that represents Participations entered into by the Issuer with a single Selling Institution (or, if applicable, its guarantor), when combined with the Synthetic Securities entered into by the Issuer with a single Synthetic Securities Counterparty that is also a Selling Institution (or, if applicable, its guarantor) and the Securities Lending Agreements entered into by the Issuer with a single Securities Lending Counterparty that is also a Selling Institution (or, if applicable, its guarantor), will not exceed the individual percentage set forth below for the credit rating of such Selling Institution (or its Affiliates and, if applicable, guarantors), and the percentage of the Aggregate Principal Amount of the Collateral Portfolio that represents Participations entered into by the Issuer with the Selling Institutions (or their Affiliates and, if applicable, guarantors) having the same credit rating will not exceed the aggregate percentage set forth below for each credit rating:

<table>
<thead>
<tr>
<th>Individual Synthetic Security Counterparty Limit</th>
<th>Aggregate Selling Institution Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Senior Unsecured Debt Rating**</td>
<td></td>
</tr>
<tr>
<td>Moody's</td>
<td>S&amp;P</td>
</tr>
<tr>
<td>Aaa</td>
<td>20.0%</td>
</tr>
<tr>
<td>Aa1</td>
<td>10.0%</td>
</tr>
<tr>
<td>Aa2</td>
<td>10.0%</td>
</tr>
<tr>
<td>Aa3</td>
<td>10.0%</td>
</tr>
<tr>
<td>A1</td>
<td>5.0%</td>
</tr>
<tr>
<td>A2*</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

* Applies only so long as Moody's short-term unsecured debt rating is "P-1".
** Applies only so long as the S&P short-term unsecured debt rating is "A-1".
*** For purposes of determining compliance with this credit rating requirement, if the Moody's long-term senior unsecured debt rating of a Selling Institution (or, if applicable, its guarantor) and/or the S&P Synthetic Security Counterparty has been put on a watch list for possible downgrade, such credit rating shall be one category below its then current Moody's rating or, if such credit rating has been put on a watch list for possible upgrade, one category above its then current Moody's rating, provided that the Issuer may enter into a Participation with a Selling Institution (or, if applicable, its guarantor) having, at such time, a long-term senior unsecured debt rating below "A2" by Moody's and "A" by S&P if the Moody's Rating Condition and the S&P Rating Condition have been satisfied.

"Senior Secured Floating Rate Note": Any debt-iriendivided senior secured note issued pursuant to an indenture by a corporation, partnership or other person that (i) has a stated coupon that bears a floating rate of interest and (ii) is secured by a first priority, perfected security interest in or lien on specified collateral securing the issuer's obligations under such note and if the obligation is rated by Moody's, such rating is not lower than the Corporate Family Rating of such issuer.

Confidential Treatment Requested by Goldman Sachs

OS MBS-E-001918409
Footnote Exhibits - Page 5189

"Senior Secured Loan": Any Assignment of or Participation in or other interest (including a Synthetic Security) in a loan (i) that is not (and cannot by its terms become) subordinate (except with respect to (1) liquidation preferences with respect to pledged collateral and (2) any super-priority lien imposed by operation of law in right of payment to any obligation of the obligor in any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, (ii) that is secured by the pledge of collateral and (iii) unless secured by a first priority security interest in such collateral, (iv) with respect to which the Collateral Manager determines in its reasonable business judgment (which shall not be subject to question as a result of subsequent events) that the value of the collateral securing the loan on or about the time of execution equals or exceeds the outstanding principal balance of the loan plus the aggregate outstanding balances of all other loans of equal or higher seniority secured by the same collateral, and (v) the facility rating is not lower than the Corporate Family Rating of such issuer, provided that for purposes of the definition of "S&P Recovery Rate" subclause (ii) shall not apply.

"Senior Unsecured Loan": Any Assignment of or Participation in or other interest (including a Synthetic Security) in a loan that is not subordinated in right of payment and is not a Senior Secured Loan.

"Share Trustee": The Administrator as the trustee pursuant to the terms of a declaration of trust.

"Special Purpose Vehicle": Any special purpose vehicle organized under the laws of (i) any sovereign jurisdiction that is commonly used as the place of organization for an entity for the purpose of reducing or eliminating tax liabilities for such entity, which shall be limited to: the Cayman Islands, Bermuda, the British Virgin Islands, the Netherlands Antilles, the Netherlands, Luxembourg or the Channel Islands or (ii) upon the satisfaction of each of the Moody’s Rating Condition and the S&P Rating Condition, any other jurisdiction; provided that, if any of the countries listed in subclause (i) have a foreign currency rating of less than "Aaa" by Moody’s or "AA" by S&P at the time of purchase, the Collateral Manager shall notify Moody’s or S&P, as applicable, in writing of such fact.

"Stated Maturity": With respect to any security or debt obligation, including a Security, the date specified in such security or debt obligation as the fixed date on which the final payment of principal of the security or debt obligation is due and payable or, if such date is not a Business Day, the next following Business Day. The Stated Maturity with respect to the Securities (other than the Class 5 Notes) will be February 18, 2021 and, with respect to the Class 5 Notes, February 18, 2014.

"Step-Up Coupon Security": A security (i) that does not pay interest over a specified period of time ending prior to its maturity, but which does provide for the payment of interest after the expiration of such specified period or (ii) the interest rate of which increases over a specified period of time other than due to the increase of the Index relating to a Floating Rate Collateral Obligation.

"Structured Finance Security": Any obligation secured directly by, referenced to or representing ownership of, a pool consisting primarily of bank loans or similar security or repackaged security, but not including any Synthetic Security.

"Subordinated Loan": Any Assignment of or Participation in or other interest (including a Synthetic Security) in a loan that is subordinated in right of payment.

"Subordinated Securities": The U.S.$40,000,000 Subordinated Securities having the Stated Maturity as set forth under "Summary-The Offering-Securities Issued".

"Subordinated Securities Collateral Obligations": Collateral Obligations that (i) were purchased on or prior to the Closing Date and that were designated by the Collateral Manager in a writing delivered to the Trustee as Collateral Obligations the distributions on which, and the proceeds received in respect of which, are to be deposited in the Subordinated Securities Interest Collection Account or the Subordinated Securities Principal Collection Account, as applicable; provided, however, that the amount of the Collateral Obligations (measured by the Issuer’s acquisition cost, including any purchased interest) to be designated as Subordinated Securities Collateral Obligations by the Collateral Manager on the Closing Date, plus any amount deposited in the Subordinated Securities Principal Collection Account on the Closing Date, shall not
Footnote Exhibits - Page 5190

1119

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918411
Footnote Exhibits - Page 5191

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(b)</td>
<td>Moody's has acknowledged in a written confirmation (such written confirmation to be signed by an authorized officer of Moody's) that the documentation received in connection with such Synthetic Security is adequate for rating purposes (provided that if Moody's fails to provide such acknowledgement within five Business Days, it will be deemed to have provided such acknowledgement);</td>
</tr>
<tr>
<td>(c)</td>
<td>Moody's has not indicated (orally or in writing) within ten Business Days of such acknowledgment that the Indication of such proposed Synthetic Security will, at that time, cause it to downgrade, withdraw or qualify any of its then current ratings of any of the Co-Issued Notes; and</td>
</tr>
<tr>
<td>(d)</td>
<td>Moody's has provided to the Issuer the Moody's Rating Factor and the Moody's Recovery Rate for such Synthetic Security;</td>
</tr>
<tr>
<td>(v)</td>
<td>a Synthetic Security shall not be used as a means of making future advances to a Synthetic Security Counterparty;</td>
</tr>
<tr>
<td>(vi)</td>
<td>for the avoidance of doubt, a Synthetic Security need not specify a Reference Obligation and may specify an index;</td>
</tr>
<tr>
<td>(vii)</td>
<td>the only &quot;credit events&quot; which a Synthetic Security may include are &quot;failure to pay&quot; and &quot;bankruptcy&quot;; and</td>
</tr>
<tr>
<td>(x)</td>
<td>a Synthetic Security whose Reference Obligation is a senior secured obligation shall provide that any Deferable Obligation must be a senior secured obligation and rank pari passu with the Reference Obligation.</td>
</tr>
</tbody>
</table>

"Synthetic Security Collateral": Collateral required to be pledged to a Synthetic Security Counterparty as collateral pursuant to the terms of a Synthetic Security, which collateral shall consist of Eligible Investments.

"Synthetic Security Collateral Account": The trust account or accounts established pursuant to the Indenture.

"Synthetic Security Counterparty": An entity required to make payments on a Synthetic Security pursuant to the terms of such Synthetic Security or any guarantee thereof to the extent that a Reference Obligor makes payments on a related Reference Obligation, (a) which counterparty, or the long-term senior unsecured debt of such counterparty (or its secured debt if such counterparty is a trust and its debt is secured by a reference obligation), shall individually and, together with all other Synthetic Security Counterparties, in the aggregate satisfy the required debt ratings set forth in the table below, and (b) with respect to which, the S&P Rating Condition is satisfied. At the time a Synthetic Security is acquired by the Issuer, the percentage of the Aggregate Principal Amount of the Collateral Portfolio that represents Synthetic Securities entered into by the Issuer with a single Synthetic Security Counterparty, when combined with the Participations entered into by the Issuer with such Synthetic Security Counterparty, if such Synthetic Security Counterparty is also a Lending Institution, and the Securities Lending Agreements entered into by the Issuer with a single Securities Lending Counterparty, if such Synthetic Security Counterparty is also a Securities Lending Counterparty, will not exceed the aggregate percentage set forth below for the credit rating of such Synthetic Security Counterparty and/or Lending Institution (or its affiliates), and the percentage of the Aggregate Principal Amount of the Collateral Portfolio that represents Synthetic Securities entered into by the Issuer with counterparties having the same credit rating will not exceed the aggregate percentage set forth below for such credit rating:

Confidential Treatment Requested by Goldman Sachs  
GS MSS-E-001918412
Footnote Exhibits - Page 5192

<table>
<thead>
<tr>
<th>Long Term Senior Unsecured Debt Rating</th>
<th>Individual Synthetic Security Counterparty Limit</th>
<th>Aggregate Synthetic Security Counterparty Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's S&amp;P</td>
<td>Institution Limit/Securities Lending Counterparty Limit</td>
<td>Institution Limit/Securities Lending Counterparty Limit</td>
</tr>
<tr>
<td>Aaa...................................</td>
<td>20.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Aa1...................................</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Aa2...................................</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Aa3...................................</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>A1...................................</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>A2...................................</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

- Applies only as long as Moody's short-term unsecured debt rating is "A".  
- Applies only as long as the S&P short-term unsecured debt rating is "A".  

For purposes of determining compliance with this credit rating requirement, if the Moody's long-term senior unsecured debt rating of a lending institution (or, alternatively, its guarantor) or Synthetic Security Counterparty has been put on a watch list for possible downgrade, such credit rating shall be one category below its current Moody's rating or, if such credit rating has been put on a watch list for possible upgrade, one category above its current Moody's rating provided that the issuer may enter into a Synthetic Security with a Synthetic Security Counterparty having at such time a long-term senior unsecured debt rating below "A2" by Moody's and "A" by S&P, if the S&P Rating Condition has been satisfied.

Notwithstanding any provision to the contrary contained herein, if Moody's or S&P notices the issuer that it ceases a Structured Finance Security to be subject to counterparty risk at the time such Structured Finance Security is purchased by the Issuer, the percentage limitations set forth in the above table of the preceding paragraph shall be applicable to the entity which is required to make payments on such Structured Finance Security pursuant to the terms of such Structured Finance Security (as if such entity were a Synthetic Security Counterparty).

"Tax Haven Collateral Obligation": An obligation, other than a Structured Finance Security, in which the Issuer thereof (i) is organized in a Tax Haven Jurisdiction and (ii) is determined by the Collateral Manager in its sole judgment which judgment shall not be subject to question as a result of subsequent events to have (or whose relevant obligations are guaranteed by an entity that is Collateral Manager in its sole judgment) at least 60% (by reference to the latest available consolidated financial statements) of (A) its business operations or (B) its assets primarily responsible for generating its revenue located in (1) the United States of America, Canada, Australia, (2) a European Union Country or a European E Country (so long as, in such case, at the time of the acquisition by the Issuer, the foreign currency rating of such country is rated at least "A4" by S&P or (B) upon the satisfaction of each of the Moody's Rating Condition and the S&P Rating Condition, any other jurisdiction.

"Tax Haven Jurisdiction": (i) Any sovereign jurisdiction that is commonly used as the place of organization for an entity for the purpose of reducing or eliminating tax liabilities for such entity, which shall be limited to: the Cayman Islands, Bermuda, the British Virgin Islands, the Netherlands Antilles, the Netherlands, Luxembourg or the Channel Islands or (ii), upon the satisfaction of each of the Moody's Rating Condition and the S&P Rating Condition, any other jurisdiction provided that, if any of the countries listed in subclause (i) shall have a foreign currency rating of less than "A4" by S&P at the time of purchase, the Collateral Manager shall notify S&P in writing of such fact; provided, further, that, none of the countries listed in subclause (i) shall have a foreign currency rating of less than "A2" by Moody's.

"Trading Plan": Any written trading plan delivered to the Trustee (a) pursuant to which the Collateral Manager believes all trades contemplated thereby will be entered into within ten calendar days, (b) specifying certain (i) amounts to be executed or expected to be executed as Principal Proceedings in connection with such Trading Plan, (c) Collateral Obligations related to such Principal Proceeds and (d) Collateral Obligations acquired or intended to be acquired as a result of such Trading Plan, (e) for which the Collateral Manager believes (in its sole judgment) such plan can be executed according to its terms and (f) as to which the Aggregate Principal Amount of the Collateral Obligations expected to be acquired thereunder constitutes
Footnote Exhibits - Page 5193

no more than 5% of the Aggregate Principal Amount of the Collateral Portfolio. The time period for such Trading Plan shall be measured from the earliest trade date to the latest trade date of any such amounts.

“Treasury”: The U.S. Department of the Treasury.

“Trust Officer”: When used with respect to the Trustee, any officer within the Corporate Trust Office (or any successor group of the Trustee) including any director, managing director, vice president, assistant vice president, associate or officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, having direct responsibility for the administration of the Indenture or to whom any corporate trust matter is referred at the Corporate Trust Office because of his knowledge of and familiarity with the particular subject.

“Trustee”: The Bank of New York Trust Company, National Association solely in its capacity as Trustee for the Securityholders, unless a successor Person shall have become the Trustee pursuant to the applicable provisions of the Indenture, and thereafter “Trustee” shall mean such successor Person.

“U.S. Person”: The meaning specified under Regulation S.

“U.S. Subordinated Securities”: Subordinated Securities in fully registered, certificated from without interest coupons sold to Qualified Institutional Buyers or Accredited Investors in reliance on exemption from registration under Rule 144A or another applicable exemption from registration under the Securities Act, respectively, registered in the name of the owner thereof.

“UCFC”: The Uniform Commercial Code as in effect in the state of the United States that governs the relevant security interest as amended from time to time.

“Unrealized Principal Proceeds”: As of any date of determination after the Effective Date, an amount (which may be negative) equal to (a) the interest on the cumulative amount of accrued interest purchased after the Effective Date that has been purchased with such Proceeds or Sale Proceeds less (b) the aggregate cumulative amount of Principal Allocated Accrued Interest to such date.

“Unscheduled Principal Payments”: All Principal Payments received with respect to a Collateral Obligation as a result of optional redemptions, exchange offers, tender offers or other payments or prepayments made at the option of the issuer thereof.

“Warehouse Accrued Interest”: Interest on Collateral Obligations that has accrued on or prior to the Cutoff Date but paid on or after the Closing Date, which Interest shall not at any time be included as Interest Proceeds or part of the Collateral.

“Weighted Average Life”: As of any Measurement Date, the number obtained by (i) for each Collateral Obligation (other than Defaulted Obligations), multiplying each scheduled Principal Payment by the number of years (rounded to the nearest hundredth) from the Measurement Date until such scheduled Principal Payment is due; (ii) summing all of the products calculated pursuant to subclause (i); and (iii) dividing the sum calculated pursuant to subclause (i) by the sum of all scheduled Principal Payments due on the Collateral Obligations as of such Measurement Date. For purposes of determining the Weighted Average Life of a Collateral Obligation that matures after the Stated Maturity, such Collateral Obligation shall be deemed to mature at the Stated Maturity of the Security.

“Weighted Average Spread”: As of any Measurement Date, a fraction expressed as a percentage obtained by dividing (a) the sum of (i) the Aggregate Funded Spread and (ii) the Aggregate Unfunded Spread by (b) the Aggregate Principal Amount of all of the Collateral Obligations (excluding Defaulted Obligations) held by the Issuer as of such Measurement Date.

“Withholding Tax Event”: The adoption of, or a change in, any tax statute (including the Code), treaty, regulation (whether proposed, temporary or final), rule, ruling, practice, procedure or judicial decision or interpretation which results or will result in payments due from the obligor of Collateral Obligations representing in excess of 5% of the Aggregate Principal Amount of Collateral Obligations becoming property

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001916414

1122
subject to the imposition of U.S. or other withholding tax as of the next scheduled payment date under such Collateral Obligations (other than withholding taxes with respect to commitment fees associated with Collateral Obligations constituting Revolving Credit Facilities or Delayed Funding Term Loans) with respect to which such obligors are not required to make gross-up payments that cover the full amount of such withholding taxes on an after-tax basis.

"Withholding Tax Security": A Collateral Obligation if (a) any payments thereon to the Issuer are subject to withholding tax imposed by any jurisdiction other than U.S. backup withholding tax or other similar withholding tax, and other than withholding tax with respect to commitment fees associated with Collateral Obligations constituting Revolving Credit Facilities or Delayed Funding Term Loans, and (b) under the Reference Instrument with respect to such Collateral Obligation, the Issuer of or counterparties with respect to such Collateral Obligation is not required to make "gross-up" payments to the Issuer that cover the full amount of such withholding tax on an after-tax basis.

"Zero-Coupon Security": A security (other than a Step-Up Coupon Security) that, at the time of determination, does not make periodic payments of interest.
### ANNEX I: CLASS S PRINCIPAL DISTRIBUTION AMOUNTS

<table>
<thead>
<tr>
<th>Period</th>
<th>Payment Date</th>
<th>Class S Principal Distribution Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18-Aug-07</td>
<td>142,857.18</td>
</tr>
<tr>
<td>2</td>
<td>18-Nov-07</td>
<td>71,428.57</td>
</tr>
<tr>
<td>3</td>
<td>18-Feb-08</td>
<td>71,428.57</td>
</tr>
<tr>
<td>4</td>
<td>18-May-08</td>
<td>71,428.57</td>
</tr>
<tr>
<td>5</td>
<td>18-Aug-08</td>
<td>71,428.57</td>
</tr>
<tr>
<td>6</td>
<td>18-Nov-08</td>
<td>71,428.57</td>
</tr>
<tr>
<td>7</td>
<td>18-Feb-09</td>
<td>71,428.57</td>
</tr>
<tr>
<td>8</td>
<td>18-May-09</td>
<td>71,428.57</td>
</tr>
<tr>
<td>9</td>
<td>18-Aug-09</td>
<td>71,428.57</td>
</tr>
<tr>
<td>10</td>
<td>18-Nov-09</td>
<td>71,428.57</td>
</tr>
<tr>
<td>11</td>
<td>18-Feb-10</td>
<td>71,428.57</td>
</tr>
<tr>
<td>12</td>
<td>18-May-10</td>
<td>71,428.57</td>
</tr>
<tr>
<td>13</td>
<td>18-Aug-10</td>
<td>71,428.57</td>
</tr>
<tr>
<td>14</td>
<td>18-Nov-10</td>
<td>71,428.57</td>
</tr>
<tr>
<td>15</td>
<td>18-Feb-11</td>
<td>71,428.57</td>
</tr>
<tr>
<td>16</td>
<td>18-May-11</td>
<td>71,428.57</td>
</tr>
<tr>
<td>17</td>
<td>18-Aug-11</td>
<td>71,428.57</td>
</tr>
<tr>
<td>18</td>
<td>18-Nov-11</td>
<td>71,428.57</td>
</tr>
<tr>
<td>19</td>
<td>18-Feb-12</td>
<td>71,428.57</td>
</tr>
<tr>
<td>20</td>
<td>18-May-12</td>
<td>71,428.57</td>
</tr>
<tr>
<td>21</td>
<td>18-Aug-12</td>
<td>71,428.57</td>
</tr>
<tr>
<td>22</td>
<td>18-Nov-12</td>
<td>71,428.57</td>
</tr>
<tr>
<td>23</td>
<td>18-Feb-13</td>
<td>71,428.57</td>
</tr>
<tr>
<td>24</td>
<td>18-May-13</td>
<td>71,428.57</td>
</tr>
<tr>
<td>25</td>
<td>18-Aug-13</td>
<td>71,428.57</td>
</tr>
<tr>
<td>26</td>
<td>18-Nov-13</td>
<td>71,428.57</td>
</tr>
<tr>
<td>27</td>
<td>18-Feb-14</td>
<td>71,428.57</td>
</tr>
<tr>
<td>28</td>
<td>18-May-14</td>
<td>0.00</td>
</tr>
<tr>
<td>29</td>
<td>18-Aug-14</td>
<td>0.00</td>
</tr>
<tr>
<td>30</td>
<td>18-Nov-14</td>
<td>0.00</td>
</tr>
<tr>
<td>31</td>
<td>18-Feb-15</td>
<td>0.00</td>
</tr>
<tr>
<td>32</td>
<td>18-May-15</td>
<td>0.00</td>
</tr>
<tr>
<td>33</td>
<td>18-Aug-15</td>
<td>0.00</td>
</tr>
<tr>
<td>34</td>
<td>18-Nov-15</td>
<td>0.00</td>
</tr>
<tr>
<td>35</td>
<td>18-Feb-16</td>
<td>0.00</td>
</tr>
<tr>
<td>36</td>
<td>18-May-16</td>
<td>0.00</td>
</tr>
<tr>
<td>37</td>
<td>18-Aug-16</td>
<td>0.00</td>
</tr>
<tr>
<td>38</td>
<td>18-Nov-16</td>
<td>0.00</td>
</tr>
<tr>
<td>39</td>
<td>18-Feb-17</td>
<td>0.00</td>
</tr>
<tr>
<td>40</td>
<td>18-May-17</td>
<td>0.00</td>
</tr>
<tr>
<td>41</td>
<td>18-Aug-17</td>
<td>0.00</td>
</tr>
<tr>
<td>42</td>
<td>18-Nov-17</td>
<td>0.00</td>
</tr>
<tr>
<td>43</td>
<td>18-Feb-18</td>
<td>0.00</td>
</tr>
<tr>
<td>44</td>
<td>18-May-18</td>
<td>0.00</td>
</tr>
<tr>
<td>45</td>
<td>18-Aug-18</td>
<td>0.00</td>
</tr>
<tr>
<td>46</td>
<td>18-Nov-18</td>
<td>0.00</td>
</tr>
<tr>
<td>47</td>
<td>18-Feb-19</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

OS MBB-E-001918417
<table>
<thead>
<tr>
<th>Period</th>
<th>Payment Date</th>
<th>Class B Principal Distribution Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
<td>18-May-19</td>
<td>0.00</td>
</tr>
<tr>
<td>49</td>
<td>18-Aug-19</td>
<td>0.00</td>
</tr>
<tr>
<td>50</td>
<td>18-Nov-19</td>
<td>0.00</td>
</tr>
<tr>
<td>51</td>
<td>18-Feb-20</td>
<td>0.00</td>
</tr>
<tr>
<td>52</td>
<td>18-May-20</td>
<td>0.00</td>
</tr>
<tr>
<td>53</td>
<td>18-Aug-20</td>
<td>0.00</td>
</tr>
<tr>
<td>54</td>
<td>18-Nov-20</td>
<td>0.00</td>
</tr>
<tr>
<td>55</td>
<td>18-Feb-21</td>
<td>0.00</td>
</tr>
</tbody>
</table>
EXHIBIT A: FORM OF SECURITY OWNER CERTIFICATE

The Bank of New York Trust Company, National Association
as Trustee
601 Travis Street, 18th Floor
Houston, Texas 77002
Attn: Global Corporates Trust—Greywolf CLO I, Ltd.

Greywolf CLO I, Ltd.
P.O. Box 5823 GT
Queensgate House
South Church Street
George Town
Grand Cayman, Cayman Islands

Greywolf CLO I Corp.
850 Library Avenue, Suite 204
Haverford, Delaware 19041

Re: Reports Pursuant to the Indenture, dated as of January 18, 2007 among Greywolf CLO I, Ltd., Greywolf CLO I Corp. and the Bank of New York Trust Company, National Association (the "Indenture")

Ladies and Gentlemen:

The undersigned hereby certifies that it is the beneficial owner of $_____________ in principal amount of the (Please check all that apply):

___ Class A Notes
___ Class B Notes
___ Class C Notes
___ Class D Notes
___ Class E Notes
___ Subordinated Securities

and hereby requests the Trustee to provide to it (or its designated nominee set forth below) at the following address or with respect to the Indenture:

___ Information with respect to certain tax matters (specified in Section 7.19 of the Indenture)
___ Certain monthly accounting reports with respect to the Collateral (specified in Section 10.5(a) of the Indenture)
___ Certain accounting reports determined as of the Determination Date (specified in Section 10.9(d) of the Indenture)

Please return form via facsimile to the Trustee at (713) 216-2101.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be duly executed this ___ day of

__________________________________________
[NAME OF SECURITY OWNER]

By: ______________________________________

Authorized Signatory

__________________________________________
First Name Here

__________________________________________
Address:

A-1

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918419
### Footnote Exhibits - Page 5200

#### INDEX OF DEFINED TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>159</td>
</tr>
<tr>
<td>Accredited Investor</td>
<td>129</td>
</tr>
<tr>
<td>Accumulated Interest Collateral Obligation</td>
<td>124</td>
</tr>
<tr>
<td>Accumulation Period</td>
<td>124</td>
</tr>
<tr>
<td>Additional Issuance Date</td>
<td>124</td>
</tr>
<tr>
<td>Administration Agreement</td>
<td>83</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>124</td>
</tr>
<tr>
<td>Administrator</td>
<td>1</td>
</tr>
<tr>
<td>Adviser Act</td>
<td>88</td>
</tr>
<tr>
<td>Affected Bank</td>
<td>124</td>
</tr>
<tr>
<td>Affiliated</td>
<td>124</td>
</tr>
<tr>
<td>Aggregate Funded Spread</td>
<td>125</td>
</tr>
<tr>
<td>Aggregate Industry Equivalent Unit Score</td>
<td>130</td>
</tr>
<tr>
<td>Aggregate Interest Reserve Distribution</td>
<td>125</td>
</tr>
<tr>
<td>Amount</td>
<td>125</td>
</tr>
<tr>
<td>Aggregate Outstanding Amount</td>
<td>125</td>
</tr>
<tr>
<td>Aggregate Principal Amount</td>
<td>125</td>
</tr>
<tr>
<td>Aggregate Underlying Unpaid Amount</td>
<td>125</td>
</tr>
<tr>
<td>Aggregate Unpaid Amount</td>
<td>125</td>
</tr>
<tr>
<td>Applicable Period</td>
<td>125</td>
</tr>
<tr>
<td>Assignment</td>
<td>126</td>
</tr>
<tr>
<td>Average Per Amount</td>
<td>130</td>
</tr>
<tr>
<td>Bank</td>
<td>126</td>
</tr>
<tr>
<td>Bankruptcy Code</td>
<td>126</td>
</tr>
<tr>
<td>Benefit Plan Investor</td>
<td>101</td>
</tr>
<tr>
<td>Bivariant Risk Obligation</td>
<td>128</td>
</tr>
<tr>
<td>Business Day</td>
<td>128</td>
</tr>
<tr>
<td>Cash/Checking Account</td>
<td>128</td>
</tr>
<tr>
<td>CCC/CVC Collateral Obligation</td>
<td>128</td>
</tr>
<tr>
<td>Calculation Agent</td>
<td>32</td>
</tr>
<tr>
<td>CDS</td>
<td>129</td>
</tr>
<tr>
<td>CFC</td>
<td>92</td>
</tr>
<tr>
<td>Class</td>
<td>129</td>
</tr>
<tr>
<td>Class A Break-even Default Rate</td>
<td>126</td>
</tr>
<tr>
<td>Class A Interest Distribution Amount</td>
<td>126</td>
</tr>
<tr>
<td>Class A Loss Different</td>
<td>126</td>
</tr>
<tr>
<td>Class A Note Interest Amount</td>
<td>127</td>
</tr>
<tr>
<td>Class A Note</td>
<td>127</td>
</tr>
<tr>
<td>Class A Par Value Ratio</td>
<td>127</td>
</tr>
<tr>
<td>Class A Scenario Default Rate</td>
<td>127</td>
</tr>
<tr>
<td>Class AFB Interest Coverage Ratio</td>
<td>127</td>
</tr>
<tr>
<td>Class AFB Interest Rate</td>
<td>127</td>
</tr>
<tr>
<td>Class AFB Par Value Ratio</td>
<td>127</td>
</tr>
<tr>
<td>Class B Break-even Default Rate</td>
<td>127</td>
</tr>
<tr>
<td>Class B Interest Distribution Amount</td>
<td>127</td>
</tr>
<tr>
<td>Class B Loss</td>
<td>127</td>
</tr>
<tr>
<td>Class B Note Interest Amount</td>
<td>127</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>127</td>
</tr>
<tr>
<td>Class B Scenario Default Rate</td>
<td>127</td>
</tr>
<tr>
<td>Class C Break-even Default Rate</td>
<td>128</td>
</tr>
<tr>
<td>Class C Interest Coverage Ratio</td>
<td>128</td>
</tr>
<tr>
<td>Class C Interest Coverage Test</td>
<td>128</td>
</tr>
<tr>
<td>Class C Interest Reserve Distribution</td>
<td>128</td>
</tr>
<tr>
<td>Class C Loss Differential</td>
<td>128</td>
</tr>
<tr>
<td>Class C Note Interest Amount</td>
<td>128</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0019198421
## Footnote Exhibits - Page 5201

<table>
<thead>
<tr>
<th>Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Care Period</td>
<td>134</td>
</tr>
<tr>
<td>Current Pay Obligation</td>
<td>134</td>
</tr>
<tr>
<td>Current Portfolio</td>
<td>134</td>
</tr>
<tr>
<td>Defaulted Hedge Termination Payment</td>
<td>134</td>
</tr>
<tr>
<td>Defaulted Interest</td>
<td>134</td>
</tr>
<tr>
<td>Defaulted Obligation</td>
<td>134</td>
</tr>
<tr>
<td>Delinquent Interest Obligation</td>
<td>135</td>
</tr>
<tr>
<td>Deferred Interest</td>
<td>5</td>
</tr>
<tr>
<td>Delayed Funding Term Loan</td>
<td>136</td>
</tr>
<tr>
<td>Deliverable Obligation</td>
<td>136</td>
</tr>
<tr>
<td>Determination Date</td>
<td>136</td>
</tr>
<tr>
<td>DIP Lien</td>
<td>136</td>
</tr>
<tr>
<td>Discount Collateral Obligation</td>
<td>137</td>
</tr>
<tr>
<td>Discretionary Reserve Account</td>
<td>73</td>
</tr>
<tr>
<td>Disposition Proceeds</td>
<td>137</td>
</tr>
<tr>
<td>Disqualified persons</td>
<td>69</td>
</tr>
<tr>
<td>Distribution</td>
<td>138</td>
</tr>
<tr>
<td>Diversity Score</td>
<td>138</td>
</tr>
<tr>
<td>Diversity Test</td>
<td>56</td>
</tr>
<tr>
<td>Documents</td>
<td>66</td>
</tr>
<tr>
<td>Dollar</td>
<td>136</td>
</tr>
<tr>
<td>Downgrade Terminating Event</td>
<td>138</td>
</tr>
<tr>
<td>Early Period</td>
<td>139</td>
</tr>
<tr>
<td>Effective Date</td>
<td>139</td>
</tr>
<tr>
<td>Effective Date Ratings Downgrade Event</td>
<td>139</td>
</tr>
<tr>
<td>Effective Spread</td>
<td>140</td>
</tr>
<tr>
<td>Eligible Investment</td>
<td>140</td>
</tr>
<tr>
<td>Eligible Loan Index</td>
<td>140</td>
</tr>
<tr>
<td>Eligible Post Refinancing Proceeds</td>
<td>140</td>
</tr>
<tr>
<td>Equity Security</td>
<td>142</td>
</tr>
<tr>
<td>Equivalent Unit Swap</td>
<td>135</td>
</tr>
<tr>
<td>ERISA</td>
<td>99</td>
</tr>
<tr>
<td>ERISA Plans</td>
<td>99</td>
</tr>
<tr>
<td>Euroclear</td>
<td>142</td>
</tr>
<tr>
<td>European I Country</td>
<td>142</td>
</tr>
<tr>
<td>European II Country</td>
<td>142</td>
</tr>
<tr>
<td>Event of Default</td>
<td>142</td>
</tr>
<tr>
<td>Excess Equity Feature Value</td>
<td>142</td>
</tr>
<tr>
<td>Exchange Act</td>
<td>142</td>
</tr>
<tr>
<td>Exchange Dated Obligation</td>
<td>142</td>
</tr>
<tr>
<td>Exchange Equity Security</td>
<td>142</td>
</tr>
<tr>
<td>Exchangeable</td>
<td>142</td>
</tr>
<tr>
<td>Expense Reserve Account</td>
<td>143</td>
</tr>
<tr>
<td>Expense Reserve Amount</td>
<td>143</td>
</tr>
<tr>
<td>Finance Lease</td>
<td>143</td>
</tr>
<tr>
<td>Fitch</td>
<td>143</td>
</tr>
<tr>
<td>Fixed Rate Collateral Obligations</td>
<td>143</td>
</tr>
<tr>
<td>Floating Period</td>
<td>3</td>
</tr>
<tr>
<td>Floating Rate Collateral Obligations</td>
<td>143</td>
</tr>
<tr>
<td>Floating Rate Note Interest Amounts</td>
<td>143</td>
</tr>
<tr>
<td>Floating Rate Note Interest Rate</td>
<td>143</td>
</tr>
<tr>
<td>Floating Rate Notes</td>
<td>143</td>
</tr>
<tr>
<td>Form Approved Synthetic Security</td>
<td>143</td>
</tr>
<tr>
<td>FRN</td>
<td>143</td>
</tr>
<tr>
<td>FSRM</td>
<td>122</td>
</tr>
<tr>
<td>Future Drawdown Amount</td>
<td>144</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-001918422
Footnote Exhibits - Page 5202

| Minimum Diversity | 150 |
| Minimum Par Value Ratio | 150 |
| Minimum Weighted Average Coupon Test | 57 |
| Minimum Weighted Average Spread | 57 |
| Moody's | 150, Cover |
| Moody's Default Probability Rating | 151 |
| Moody's Derived Rating | 151 |
| Moody's Industry Category | 153 |
| Moody's Minimum Weighted Average Recovery Rate Test | 57 |
| Moody's Rating | 153 |
| Moody's Rating Condition | 154 |
| Moody's Rating Factor | 154 |
| Moody's Recovery Rate | 155 |
| Moody's Weighted Average Rating Factor | 156 |
| Moody's Weighted Average Recovery Rate | 156 |
| Non-Call Period | 5 |
| Non-Permitted Holder | 107, 112 |
| Non-U.S. Holder | 97 |
| Non-U.S. Obligor | 157 |
| Note Interest Rate | 157 |
| Note Payment Sequence | 157 |
| Notice of a Redemption by Refinancer | 30 |
| Notice of Default | 45 |
| Obligor Par Amount | 138 |
| OPAC | 110 |
| Other | 127 |
| Offering Circular | 157 |
| Offering Covered | 88 |
| Outstanding | 157 |
| Par Value Ratio | 158 |
| Par Value Notes | 158 |
| parallel security | 152 |
| Participation | 158 |
| parties in interest | 96 |
| Payment Account | 72 |
| Payment Date | 158 |
| Payment Period | 158 |
| Permission Offer | 158 |
| Permitted Reinvestment Period | 158 |
| Person | 159 |
| PFIC | 91 |
| Plan | 159 |
| Plan Asset Regulations | 89 |
| Plan | 159 |
| Pledged Obligation | 159 |
| Principal Adjusted Accrued Interest | 157 |
| Principal Balance | 158 |
| Principal Collection Account | 158 |
| Principal Payments | 158 |
| Principal Proceeds | 162 |
| Proceeds | 37 |
| Proceeds | 163 |
| Proposed Portfolio | 100 |
| Purchase Agreement | 153 |

Purpose Credit | 29 |
Qualified Institutional Buyer | 150 |
Qualified Purchaser | 153 |
qualified spread interest | 89 |
Rating Agencies | 84 |
Rating Modifier | 13 |
Rating Matrix | 12 |
Redemption by Refinancer | 35 |
Redemption Date | 164 |
Reference Bank | 148 |
Reference Instrument | 164 |
Reference Obligation | 164 |
Reg D | 104 |
Reg S | 104 |
Register | 154 |
Register | 154 |
Registrar | 154 |
Regulation D | 154 |
Regulation S | 154 |
Regulation S Global Class S Notes | 154 |
Regulation S Global Secured Notes | 154 |
Regulation S Global Subordinated Securities | 155 |
Regulation U | 1, 158 |
Regulation U Landers | 26 |
Reinvestment Rate | 84 |
Reinvestment Income | 165 |
Reinvestment Period | 5 |
Reinvestment Test | 165 |
Regulation U Landers | 122 |
Replacement Notes | 35 |
Recovery | 165 |
Required Hedge Counterparty Rating | 165 |
Reserve Escrow | 73 |
Revolving Credit Facility | 165 |
Revolving Credit Facility Note-Back | 165 |
Revolving Credit Facility Reserve Account | 74, 155 |
RSA | 11 |
Rule 144A | 158 |
Rule 144A Global Class E Notes | 155 |
Rule 144A Global Secured Notes | 155 |
S&P | 108, Cover |
S&P | 159 |
S&P CDI Evaluator | 199 |
S&P CDI Evaluator Test | 199 |
S&P CDI Monitor | 150 |
S&P CDI Monitor Test | 159 |
S&P Minimum Weighted Average Recovery Rate Test | 57 |
S&P Priority Category | 168 |
S&P Rating | 105 |
S&P Rating Condition | 159 |
S&P Recovery Rate | 169 |
S&P Recovery Rate | 169 |
S&P Weighted Average Recovery Rate | 169 |
| S&P Weighted Average Structured Finance | 172 |
| S&L Proceeds | 173 |
| Scheduled Payment Date | 174 |
| Second Determination Date | 174 |
| Second Lien Loan | 174 |
| Secured Note Redemption Price | 174 |
| Secured Notes | 174 |
| Secured Parties | 174 |
| Securities | 174 |
| Securities Account Control Agreement | 174 |
| Securities Act | 174 |
| Securities Intermediary | 174 |
| Securities Lending Account | 75 |
| Securities Lending Agreement | 56, 174 |
| Securities Lending Collateral | 51, 174 |
| Securities Lending Collateral Losses | 175 |
| Securities Lending Counterparty | 175 |
| Securityholder | 144 |
| Selling Institution | 175 |
| Senior Collateral Management Fee | 81 |
| Senior Debt Instrument | 170 |
| Senior Secured Floating Rate Note | 175 |
| Senior Secured Loan | 176 |
| Senior Unsecured Loan | 179 |
| Service Provider Exemption | 50 |
| Share Trustee | 170 |
| Special Purpose Vehicle | 126 |
| Special U.S. Tax Counsel | 86 |
| Specified Internal Rate of Return | 125 |
| Stated Maturity | 126 |
| Step-Up Coupon Security | 176 |
| Structured Finance Security | 176 |
| Subordinated Collateral Management Fee | 81 |
| Subordinated Loan | 176 |
| Subordinated Securities | 176 |
| Subordinated Securities Antidilution Percentage | 51 |
| Footnote Exhibits - Page 5203 |
| Subordinated Securities Collateral Obligations | 176 |
| Subordinated Securities Interest Collection Account | 72 |
| Subordinated Securities Principal Collection Account | 72 |
| Subordinate Collateral Obligation | 177 |
| Substitute Deliverable Obligation | 177 |
| Synthetic Security | 177 |
| Synthetic Security Collateral | 178 |
| Synthetic Security Collateral Account | 74, 178 |
| Synthetic Security Counterparty | 178 |
| Tax Exempt U.S. Holders | 95 |
| Trading Plan | 178 |
| Treasury | 26, 180 |
| Treasury Regulations | 86 |
| Treatment of Additional Issuances of Securities | 53 |
| Trust Officer | 180 |
| Trustees | 2, 180 |
| U.S. Holder | 86 |
| U.S. Person | 180 |
| U.S. Resident | 121 |
| U.S. Subordinated Securities | 180 |
| UBTI | 95 |
| UCC | 180 |
| Unrecognized Principal Proceeds | 180 |
| Unsecured Principal Payments | 150 |
| USA PATRIOT Act | 39 |
| Warehouse Agreed Interest | 180 |
| Weighted Average Life | 180 |
| Weighted Average Spread | 150 |
| Withholding Tax Event | 180 |
| Withholding Tax Security | 180 |
| Zero-Coupon Security | 181 |

Confidential Treatment Requested by Goldman Sachs

OS MBS-E-001918424
REGISTERED OFFICES OF THE ISSUERS
Greywolf CLO I, Ltd
P.O. Box 1903 GT
Queenstown House
South Church Street
George Town, Grand Cayman
Cayman Islands

Greywolf CLO I, Corp.
600 Library Avenue
Suite 204
Newark, Delaware 19711

TRUSTEE, PRINCIPAL PAYING AGENT, TRANSFER AGENT AND REGISTRAR
The Bank of New York Trust Company, National Association
as Trustee
601 Travis Street, 16th Floor
Houston, Texas 77002

IRISH LISTING AGENT
Arthur Cox Listing Services Limited
Earlfort Centre
Earlfort Terrace
Dublin 2
Ireland

IRISH PAYING AGENT
Custom House Administration &
Corporate Services Ltd.
25 Eden Quay
Dublin 1
Ireland

LEGAL ADVISORS
To the Issuers
As to matters of United States Law
McKee Nelson LLP
One Battery Park Plaza
New York, New York 10004

To the Initial Purchaser
McKee Nelson LLP
One电池 Park Plaza
New York, New York 10004

To the Issuer
As to matters of Cayman Islands Law
Maples and Calder
P.O. Box 309 GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

To the Collateral Manager
Sidley Austin LLP
767 Seventh Avenue
New York, New York 10019

Confidential Treatment Requested by Goldman Sachs

OS MBS-E-001918425
No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Offering Circular. You must not rely on any unauthorized information or representations. This Offering Circular is an offer to sell only the Securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Offering Circular is current only as of its date.

**TABLE OF CONTENTS**

- GENERAL NOTICE ........................................... i
- AVAILABLE INFORMATION .................................... ii
- SUMMARY ................................................... 1
- RISK FACTORS .............................................. 16
- DESCRIPTION OF THE SECURITIES .................. 30
- USE OF PROCEEDS ........................................... 55
- RATINGS OF THE SECURITIES .......................... 55
- SECURITY FOR THE SECURED NOTES .................. 55
- MATURITY AND PREPAYMENT CONSIDERATIONS ....... 75
- THE COLLATERAL MANAGER ............................... 77
- THE COLLATERAL MANAGEMENT AGREEMENT .......... 79
- THE ISSUERS ............................................... 82
- THE LOAN MARKET ......................................... 84
- INCOME TAX CONSIDERATIONS ......................... 85
- ERISA CONSIDERATIONS ................................... 99
- CERTAIN LEGAL INVESTMENT CONSIDERATIONS ...... 103
- SETTLEMENT AND CLEANSING ............................. 103
- TRANSFER RESTRICTIONS ................................ 108
- LISTING AND GENERAL INFORMATION ............... 119
- UNDERWRITING ........................................... 120
- LEGAL MATTERS ........................................... 123
- GLOSSARY OF DEFINED TERMS .......................... 124
- ANNEX I. CLASS S PRINCIPAL DISTRIBUTION AMOUNTS .... A-1
- EXHIBIT A. FORM OF SECURITY OWNER CERTIFICATE .... A-1
- INDEX OF DEFINED TERMS ................................... 1-1

**OFFERING CIRCULAR**

GREYWOLF CLO I, LTD.
GREYWOLF CLO I, CORP.

Secured (with respect to the Secured Notes) Primarily by a Portfolio of Loans that are Senior Secured Loans

Goldman, Sachs & Co.
Footnote Exhibits - Page 5206

From: To: Subject: 
Turre, Fabrice Egpl, Jonathan; ficm-expoc-deal Re: Abacus ACA

Sent: Monday, March 12, 2007 1:47 PM

As discussed with Martey, we are taking his feedback into account and once we have gotten more feedback from accounts across the cap structure we will decide what the best course of action is.

Geritka, we need to have a follow up call with Paulsen to see how they feel about the strike spreads and upfront fees we mentioned to them. When is this call happening?

---------------------------
Sent from my blackberry wireless handheld

----- Original Message ----- 
From: Egpl, Jonathan 
To: Turre, Fabrice; ficm-expoc-deal
Sent: Mon Mar 12 14:32:55 2007
Subject: Re: Abacus ACA

So what do you suggest we say to Joey?

----- Original Message ----- 
From: Turre, Fabrice 
Sent: Monday, March 12, 2007 2:20 PM
To: Egpl, Jonathan; ficm-expoc-deal
Subject: Re: Abacus ACA

I suggest to hold off for the time being. Paulsen will likely not agree to this unless we tell them that nobody will buy these bonds if we don't make that change.

---------------------------
Sent from my blackberry wireless handheld

----- Original Message ----- 
From: Egpl, Jonathan 
To: ficm-expoc-deal
Sent: Mon Mar 12 14:18:07 2007
Subject: FW: Abacus ACA

I suggest we ask Gall to relay. Thoughts?

--

From: Zimmermann, Jörg [mailto:joerg.zimmermann@ihk-oxm.de]
Sent: Monday, March 12, 2007 1:51 PM
To: Martey, Michael
Cc: Egpl, Jonathan; Turre, Fabrice
Subject: Abacus ACA

Confidential Treatment Requested by Gold

Permanent Subcommittee on Investigations
Wall Street & the Financial Crisis
Report Footnote #530

GS MBS-E-002683134
Footnote Exhibits - Page 5207

M,

did you hear something on my request to remove Fremont and New Cenury serviced bonds? I would like to try to the advisory comites this week and would need consent on it.

Rgds
J

Jörg Zimmermann
Vice President - Portfolio Investments
IKB Credit Asset Management GmbH
Geesinger Straße 90
40674 Düsseldorf
Tel.: +49 (0)211 8221-6283
Fax: +49 (0)211 8221-6383
E-Mail: jorg.zimmermann@ikb-cam.de
Internet: www.ikb-cam.de

Rechtsform Gesellschaft mit beschränkter Haftung
Sitz Düsseldorf
Handelsregister Amtsgericht Düsseldorf B Nr. 54720
Geschäftsführer: Winfried Haake
Vorsitzender des Beirates: Stefan Otteisen

Diese E-Mail begründet keine Verpflichtung der
IKB Credit Asset Management GmbH, es sei denn, dies wäre durch schriftliche Vereinbarung mit dem
Empfänger vereinbart.

The contents of this e-mail do not constitute a commitment by
IKB Credit Asset Management GmbH, except where
provided for in a written agreement between the company

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5208

From: Lehman, David A.
Sent: Monday, March 12, 2007 1:30 PM
To: Tourre, Fabrice; Egp, Jonathan; ficc-mgcon-desk
Subject: Re: Afacus ACA

-----Original Message-----
From: Tourre, Fabrice
Sent: Monday, March 12, 2007 2:15 PM
To: Egp, Jonathan; ficc-mgcon-desk
Subject: Re: Afacus ACA

I suggest to hold off for the time being. Paulson will likely not agree to this unless we tell them that nobody will buy these bonds if we don't make that change.

--------------------------------------
Sent from my BlackBerry Wireless Handheld

-------- Original Message --------
From: Egp, Jonathan
To: ficc-mgcon-desk
Sent: Mon Mar 12 14:16:07 2007
Subject: FW: Afacus ACA

I suggest we ask Geil to relay, Thoughts?

--------------------------------------
From: Zimmermann, Jürg (mailto:joez.zimmermann@kk-kam.de)
Sent: Monday, March 12, 2007 1:51 PM
To: M., Harteiy, Michael
Cc: Egp, Jonathan; Tourre, Fabrice
Subject: Afacus ACA

M.,

I did you hear something on my request to remove Fremont and Hew Cenetry serviced bonds? I would like to try to the advisory committee this week and would need consent on it.

Rgds
J

Jürg Zimmermann
Vice President - Portfolio Investments

Confidential Treatment Requested by Gol

Wall Street & The Financial Crisis
Report Footnote #251

GS MBS-E-002048826
Footnote Exhibits - Page 5209

IKB Credit Asset Management GmbH
Verdingen Straße 90
40474 Düsseldorf
Tel.: +49 (0)211 8221-6283
Fax: +49 (0)211 8221-6383
E-Mail: jorrg.zimmermann@ikb-cam.de
Internet: www.ikb-cam.de

Rechtsform Gesellschaft mit beschränkter Haftung
Sitz Düsseldorf
Handelsregister Amtsgericht Düsseldorf B Nr. 54720
Geschäftsführer: Winfried Reinke
Vorsitzender des Beirates: Stefan Ortseifen

Diese E-Mail begründet keine Verpflichtung der
IKB Credit Asset Management GmbH, es sei denn,
dies wäre durch schriftliche Vereinbarung mit dem
Empfänger vereinbart.

The contents of this e-mail do not constitute a commitment by
IKB Credit Asset Management GmbH, except where
provided for in a written agreement between the company
and the recipient of this message.
CDO Asset "Management" Proposal
For
ABACUS 2007-AC1
Commitments Committee
February 12, 2007

Submitted by:
Keith Gorman

Discussion on
• portfolio allocation work with the equity investor
• meeting with the investor to win mandate

Commitments Committee Votes

<table>
<thead>
<tr>
<th>Member</th>
<th>Approve</th>
<th>Decline</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Rosenman</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ted Golpin</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joseph Pimbley</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don Dahman</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Committee Decision</td>
<td></td>
<td></td>
<td>Approved Date</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested Under FOIA
by Fried Frank Harris Shriver & Jacobson LLP

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2535

A0000121580
PROPOSAL

We are seeking Senior Credit Committee's approval for: (1) ACA Management to act as Portfolio Selection Agent (an upfront role only) to a synthetic CDO backed by approximately $9 billion in subprime mortgage reference assets, by which we would receive ongoing asset management fees for identifying (but not managing) the portfolio; and (2) working with Goldman Sachs, the underwriter, to assist in their marketing efforts to sell AAA/A rated notes. This transaction was structured as a result of a "buyout payment" whereby a New York City hedge fund paid a diligence fee for CDO Managers and selected us as the Portfolio Selection Agent for a reverse equity inquiry CDO. The hedge fund is taking the 0%-9% tranche. Structured Credit will have the opportunity to look at the super senior tranche as well. This is our first ABS CDO with Goldman Sachs (we are currently in ramp-up with them on a U.S. CLO).

Key Transaction Metrics

<table>
<thead>
<tr>
<th>Transaction Type:</th>
<th>$1 billion to $2 billion synthetic subprime mortgage ABS CDO, liabilities will be modified sequential pay (target notional or base)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACA Management's (ACA) Role:</td>
<td>Portfolio Selection Agent only</td>
</tr>
<tr>
<td>Underwriter:</td>
<td>Goldman Sachs</td>
</tr>
<tr>
<td>ACA Required Investments:</td>
<td>None</td>
</tr>
<tr>
<td>Asset Class:</td>
<td>Underlying collateral will be 100% synthetic subprime residential mortgage positions.</td>
</tr>
<tr>
<td>Expected WAL of Underlying Assets:</td>
<td>4 years</td>
</tr>
<tr>
<td>Management Fees to ACA per annum:</td>
<td>As per schedule on page 2 below with a minimum annual fee of $1 million.</td>
</tr>
<tr>
<td>Warehouse:</td>
<td>ACA is not taking any warehouse risk/return or any ongoing risk (no equity investment).</td>
</tr>
<tr>
<td>Non-Call Period:</td>
<td>3 years</td>
</tr>
</tbody>
</table>

The hedge fund equity investor wanted to invest in the 0%-9% tranche of a static synthetic ABS CDO backed 100% by subprime residential mortgage securities. Over the past 3 weeks we have worked with the investor to construct a portfolio that meets their needs as well as ours. Our requirements for the portfolio were that all of the positions had been reviewed and approved by ACA's ABS credit committee and that all seasoned positions were performing within expectations for the vintage. Since there is no ongoing management function (ability to defensively sell credit risk securities), we prepared a portfolio that was 100% Baa2 to potentially minimize the downgrade risk versus Baa3 underlying bonds. The risk to ACA in this transaction is one of reputation but even this is limited since we are solely as the portfolio selection advisor and have no ongoing management role (we may need to discuss our ongoing credit opinions on the underlying positions with investors upon request by investors).

What we have done in terms of minimizing our reputation risk is look at stress testing the portfolio to determine what downgrades (and defaults) can be sustained before the issued tranches are downgraded. Attached to the back of this write up is the analysis provided by Goldman Sachs. We are working with our quant team on verifying this work.
### Key Portfolio Metrics

We are seeking approval to build a portfolio of asset backed securities which would have the ratings and sector characteristics as shown below.

<table>
<thead>
<tr>
<th>Number of Reference Obligations</th>
<th>Approximately 90</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Size of Each Underlying Position</td>
<td>1.1%</td>
</tr>
<tr>
<td>Moody’s WARR</td>
<td>360 (Ba2)</td>
</tr>
<tr>
<td>Expected Yield</td>
<td>Approximately 250 bps</td>
</tr>
<tr>
<td>Sector Concentration</td>
<td>100% Ba2 subprime mortgage positions</td>
</tr>
</tbody>
</table>

### Transaction Overview

The following is the expected transaction capitalization structure:

<table>
<thead>
<tr>
<th>Class</th>
<th>Rating</th>
<th>Size</th>
<th>Management Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured senior</td>
<td>Aaa/AAA</td>
<td>35-100%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Class A</td>
<td>Aaa/AAA</td>
<td>21-35%</td>
<td>2.25 bps</td>
</tr>
<tr>
<td>Class B</td>
<td>Aa2/AA</td>
<td>16-21%</td>
<td>50 bps</td>
</tr>
<tr>
<td>Class C</td>
<td>Aa3/AA-</td>
<td>13-19%</td>
<td>50 bps</td>
</tr>
<tr>
<td>Class D</td>
<td>A/2A</td>
<td>9.5-13%</td>
<td>100 bps</td>
</tr>
<tr>
<td>Equity</td>
<td>Not rated</td>
<td>0-2.5%</td>
<td></td>
</tr>
</tbody>
</table>

The rationale for this ABACUS transaction is our ongoing core, ABS CDO platform and the fact that this is new business with both a significant hedge fund and Goldman Sachs’ ABS platform. We anticipate pricing and closing this transaction in March (once our current exclusive on ACA ABS 2007-1 expires).

### STRENGTHS AND RISKS/MITIGATING FACTORS

#### Strengths

- Incremental Fee Income:
  - ACA’s revenue from the deal will come in the form of ongoing portfolio selection and advisory fees.
  - Expected initial management fees will be approximately $1,000,000 per annum.

- Incremental Revenue from Examine Platform:
  - Since our role was only as portfolio selection agent, there is no specific ongoing monitoring or surveillance work that will need to be done.

#### Risks/Mitigations

- Potentially adverse credit environment:
  - Multiple portfolio defaults and downgrades could adversely affect ACA’s reputation in the market as a CDO manager should the portfolio experience realized losses and/or tranches downgrades. This is mitigated by the fact that we are not the manager to the CDO (no ongoing responsibility) and that there is cushion to withstand downgrades to positions in the portfolio before the model indicates that the ratings on any tranche would be affected.

- Mitigations:
  - All credits in the portfolio have been reviewed under ACA’s ABS credit and committee guidelines.
  - ACA will not take any warehouse or equity exposure in this transaction.
### Abacus 2007-AC1, non-equity "GAAP" Projection (was not in business plan)

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>2007 Business Plan (1)</th>
<th>2007 (estimate) (2)</th>
<th>2008 Business Plan</th>
<th>2008 (per engagement letter)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse Income</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Structuring Fee</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Asset Mgt Fees</td>
<td>$0</td>
<td>$650,000</td>
<td>$0</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Equity Investment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Equity Return</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>AUM at year end</td>
<td>$0</td>
<td>$1,000,000,000</td>
<td>$0</td>
<td>$1,000,000,000</td>
</tr>
</tbody>
</table>

(1) ABACUS was not in the business plan.

(2) Assumes a $1 billion transaction closing 4/30/07, $1 million minimum management fee.
### Moody's Metric Results as Provided by Goldman Sachs

<table>
<thead>
<tr>
<th>Rating</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>14.70%</td>
</tr>
<tr>
<td>Aa1</td>
<td>14.26%</td>
</tr>
<tr>
<td>Aa2</td>
<td>13.52%</td>
</tr>
<tr>
<td>A2</td>
<td>12.30%</td>
</tr>
</tbody>
</table>

### C Slovenia - all Reference Obligations rated Baa3

<table>
<thead>
<tr>
<th>Rating</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baa3</td>
<td>0.9773%</td>
</tr>
<tr>
<td>Aa2</td>
<td>0.9344%</td>
</tr>
<tr>
<td>Baa2</td>
<td>0.9200%</td>
</tr>
</tbody>
</table>

### C Slovenia (5year Maturity - all Reference Obligations rated Baa3)

<table>
<thead>
<tr>
<th>Rating</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baa3</td>
<td>2.67%</td>
</tr>
<tr>
<td>Aa2</td>
<td>2.74%</td>
</tr>
<tr>
<td>Baa2</td>
<td>2.79%</td>
</tr>
</tbody>
</table>

### 10 downgrades, 0.5 year decrease to WAC

<table>
<thead>
<tr>
<th>Rating</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baa3</td>
<td>0.0013%</td>
</tr>
<tr>
<td>Aa2</td>
<td>0.0016%</td>
</tr>
<tr>
<td>Baa2</td>
<td>0.0033%</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested Under FOIA

by Fried Frank Harris Shriver & Jacobson LLP

ACABACUS-0000121564
### Table 1: Scenario AaAaAaAa

<table>
<thead>
<tr>
<th>Period</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2.37</td>
<td>2.37</td>
<td>2.44</td>
<td>2.44</td>
</tr>
<tr>
<td>2</td>
<td>2.44</td>
<td>2.44</td>
<td>2.49</td>
<td>2.49</td>
</tr>
<tr>
<td>3</td>
<td>2.49</td>
<td>2.49</td>
<td>2.60</td>
<td>2.60</td>
</tr>
</tbody>
</table>

### Table 2: Scenario AaAaAaAa

<table>
<thead>
<tr>
<th>Period</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2.37</td>
<td>2.37</td>
<td>2.44</td>
<td>2.44</td>
</tr>
<tr>
<td>2</td>
<td>2.44</td>
<td>2.44</td>
<td>2.49</td>
<td>2.49</td>
</tr>
<tr>
<td>3</td>
<td>2.49</td>
<td>2.49</td>
<td>2.60</td>
<td>2.60</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested Under FOIA
by Fried Frank Harris Shriver & Jacobson LLP

ACA-ABACUS-0000121505
<table>
<thead>
<tr>
<th>Rating</th>
<th>Value</th>
<th>Weight</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1145</td>
<td>2.37</td>
<td>2.44</td>
<td>2.49</td>
<td>2.60</td>
</tr>
</tbody>
</table>

40 downgrades, 0.5 year decrease to WAL

<table>
<thead>
<tr>
<th>Rating</th>
<th>Value</th>
<th>Weight</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1141</td>
<td>3.1801</td>
<td>4.4785</td>
<td>6.5067</td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested Under FOIA
by Fried Frank Harris Shriver & Jacobson LLP
2/2/2005
Spahn to Mel: $2.8 deal - shite deal

- Yes, BAA
- 3% discount
- Segment pay
- Amgen 02/06 linear? No.
- Other sugars?
- Pricing? High teens
- Similar to Forbes (need to compare spread)
Pricing - 18% vs 15%

WBS is 2-10 vs 15-20 bps for commo Gnc.
Redacted
by
Permanent Subcommittee
on Investigations

[Redacted text]

Confidential Treatment Requested Under FOIA
By Fried, Frank, Harris, Shriver & Jacobson LLP

ACA ABCACUS 00004173
Redacted By The Permanent Subcommittee on Investigations
From: Laura Schwartz [schwartz@sca.com]
Sent: Tuesday, April 10, 2007 4:12 PM
To: Alan Roseman, Ted Gilpin, Joseph Pimbley, Nora Dahlman, James Rothman, Brad Larson
Subject: Ateesus 2007-AC1

We did price $152 million in total of Class A1 and A2 today to settle April 26th. Paulson took down a proportionate amount of equity (0-10% tranche). Goldman does expect to issue more over the next 2 weeks as well.

Laura Schwartz
AIG Capital
(212) 375 2011
Schwartz@sca.com
Laura: we wanted to summarize ACA’s proposed role as “Portfolio Selection Agent” for the transaction that would be sponsored by Paulson (the “Transaction Sponsor”). Feel free to let David and I know if you have any questions.

-- CDO Transaction Size: between $1bn and $2bn notional
-- Reference Portfolio: static, fully identified upfront, and consisting of approx 100 equally-sized mezzanine subprime RMBS names issued between Q4 2005 and today. Starting portfolio would be ideally what the Transaction Sponsor shared, but there is flexibility around the names.
-- Portfolio monitoring required: none
-- Transaction reporting: on a monthly basis, done by trustee (trustee expected to be Lasalle)
-- Portfolio reinvestments required: none
-- Portfolio Selection Agent would be disclosed as having selected the Reference Portfolio
-- Portfolio Selection Agent would not be required to retain any risk in the CDO transaction, although it would have the option to buy CDO notes/unfunded swaps that will be distributed in the market.
-- Portfolio Selection Agent would be asked to facilitate the marketing of the notes (including putting together marketing materials on ACA, discussing with customers on conference calls). No roadshow is expected; no travel is expected.
-- No BWICs required to be run by the Portfolio Selection Agent
-- Timing: the Transaction Sponsor is working under the assumption that Goldman be in the market with this transaction early February

Contemplated Capital Structure – subject to Reference Portfolio:

- [34% - 100%]: unfunded supersenior tranche distributed to a supersenior protection writer
- [22% - 34%]: Aaa/AA class A tranche distributed broadly on a best efforts’ basis by Goldman
- [15% - 22%]: Aa2/AA class B tranche distributed broadly on a best efforts’ basis by Goldman
- [9% - 15%]: A2/A class C tranche distributed broadly on a best efforts’ basis by Goldman
- [5% - 9%]: pre-committed first loss

-- Economics: for transactions like this, where the Portfolio Selection Agent is not required to retain any risk, we have seen fees in the order of 15bps to 20bps paid on the portfolio notional amount (that’s what we have been seeing for most of the Magnetar-sponsored transactions). In the context of this transaction, the portfolio selection fees will be paid in the form of a spread on the outstanding amount of the class A through class C tranches. For example, if you are asking to be paid:

- Class A Portfolio Management Fee: 0.25% p.a. (the tranche is [12]% thick)
- Class B Portfolio Management Fee: 0.50% p.a. (the tranche is [7]% thick)
- Class C Portfolio Management Fee: 1.00% p.a. (the tranche is [6]% thick)
Footnote Exhibits - Page 5223

This would mean that if Goldman is able to distribute 100% of the class A, class B and class C notes, the Portfolio Selection Agent would, on a blended basis, receive 0.125% p.a. on the portfolio national. This compensation structure aligns everyone's incentives: the Transaction Sponsor, the Portfolio Selection Agent and Goldman.

The Transaction Sponsor is in discussions with a couple of potential CDO managers, and will work with the manager who will provide the most appealing economic proposal and will be able to address all the stated objectives.

We will send to you later today a term sheet that outlines the transaction structure. What would be constructive is for you to think about the fees that you would need to get paid to act as Portfolio Advisor, and also a draft portfolio that you would select, based upon the preliminary work you mentioned to us during the call.

Thanks,

Regards,

Fabrice

Goldman, Sachs & Co.
65 Broadway [26th Floor] New York, NY 10004
Tel: 212-901-5891 | Fax: 212-465-0108 | DIAL: 917
Email: fabrice.toure@gs.com

Fabrice Toure
Structured Products Group

Disclaimer:
This material has been prepared specifically for you by the Structured Product Group Trading Department and is not the product of Fixed Income or J. Aron Research. This document does not constitute an offer or invitation to acquire any security or to enter into any agreement and Goldman Sachs (as used herein, such term shall include affiliates of Goldman Sachs) is not soliciting any action based on this material. Opinions expressed are our present opinions only. The Material is based upon information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon at all. Transactions described in this material may give rise to substantial risk and are not suitable for all investors. Goldman Sachs, or persons involved in the preparation or issuance of this material, may from time to time have long or short positions in, and buy or sell, the securities, commodities, futures, options, derivatives or other instruments and investments identical with or related to those mentioned herein. Goldman Sachs does not provide accounting, tax or legal advice; such matters, as well as the suitability of a potential transaction or investment, should be discussed with your advisors and/or counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, in order that Goldman Sachs may impose any limitation of any kind. Goldman Sachs, by virtue of its status as an advisor, underwriter or otherwise, may possess or have access to non-public information relating to the companies and assets that are referred to in this material, and does not intend to disclose such status or non-public information. This material has been issued by Goldman Sachs & Co. and has been approved by Goldman Sachs International, which is authorized and regulated by the Financial Services Authority. In connection with its distribution in the United Kingdom and by Goldman Sachs Canada in connection with its distribution in Canada. Further information on any of the securities, futures or options mentioned in this material may be obtained upon request.

This material does not evidence or memorialize any agreement or legally binding commitment between any parties and does not constitute a contract or commitment to provide any financing or underwriting. Any financing or underwriting is subject to all respects to internal credit approval at Goldman Sachs, and is subject to, among other things, the completion

Confidential Treatment Requested by Goldman Sachs
From:  Tourne, Fabrice
Sent:  Thursday, January 18, 2007 9:59 AM
To:  Lehman, David A.; Swanson, Michael; Ostrum, Peter L; Rosenblum, David J.
Cc:  Wiesembaker, Scott, inc.mgo.desk
Subject: ACA/PAulson post

ACA is going to be ok acting as portfolio selection agent for Paulson, in exchange for a portfolio advisory fee of at least $1mm per year. We will have to distribute supersenior through single-A rated notes off a static portfolio of mezzanine subprime RMBS obligations selected by ACA.

The transaction will not be broadly marketed until February 23 since ACA is already locked with another investment bank until that date. If everyone agrees, the idea is to quietly show this trade to a select number of accounts, and broadly announce the transaction on Feb 23 if it fits with the overall CDO pipeline and if we feel ok with our existing Basel III RMBS risk position.

We are trying to get Paulson to give us an order on the following tranches:

- Up to $1,300mm of supersenior @ a strike spread of 340bps. Distribution fee of 0.20% + 1/2 the upside vs. the strike spread
- Up to $240mm of Aaa/AAA @ an all-in strike spread (including portfolio advisory fees) of 100bps. Distribution fee of 1.00% + 1/2 the upside vs. the strike spread
- Up to $120mm of Aa2/AA @ an all-in strike spread (including portfolio advisory fees) of 150bps. Distribution fee of 2.00% + 1/2 the upside vs. the strike spread
- Up to $60mm of Aa3/AA- @ an all-in strike spread (including portfolio advisory fees) of 175bps. Distribution fee of 2.50% + 1/2 the upside vs. the strike spread
- Up to $100mm of Aa/AA @ an all-in strike spread (including portfolio advisory fees) of 425bps. Distribution fee of 3.00% + 1/2 the upside vs. the strike spread

My assumption is that we can execute at the levels below, and PAL in that case would be up to $15m for this trade ($7.5mm for a $1bn trade):

- supersenior @ 25bps
- Aaa/AAA @ L+20bps (+20bps of portfolio advisory fees) = 80bps
- Aa2/AA @ L+40bps (+40bps of portfolio advisory fees) = 120bps
- Aa3/AA- @ L+50bps (+50bps of portfolio advisory fees) = 140bps
- Aa/AA @ L+75bps (+100bps of portfolio advisory fees) = 375bps
<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data 1</td>
<td>Data 2</td>
<td>Data 3</td>
<td>Data 4</td>
<td>Data 5</td>
</tr>
</tbody>
</table>

FOIA Confidential Treatment Requested by Paulson & Co.
Footnote Exhibits - Page 5229

From: Tourn, Fabrice  
Sent: Friday, September 08, 2006 8:23 PM  
To: Spinks, Daniel L.  
Cc: Swenson, Michael; Egel, Jonathan; Lehman, David A.; Gent, David  
Subject: Paulson Post  
Attachments: ABACUS Engagement Letter, Paulson Execution Copy 20060908.pdf

Dear Dan,

We have been working with Paulson (Cactus and Kyle have done a great job at covering the account) over the past few weeks to help them short the MBS market at a macro level through a $1.32bn super senior swap trade referencing a portfolio of 100 equally sized 2006-vintage Baa-rated MBS bonds. The engagement letter attached is a letter according to which Goldman agrees to work an order for Paulson on this trade, and Goldman gets compensated according to a incentive-based schedule - I will come by on Monday and ask you to sign the letter.

In a nutshell, if we are able to place $1.32bn of super senior risk at a spread inside 30bps running, we get paid 20bps upfront (on the trade notional) plus half the upside vs. the strike spread of 30bps. In other words:

- if we are able to source super senior protection @ 30bps on the $1.32bn size, our PA will be approx $0.6mm
- if we are able to source super senior protection @ 20bps on the $1.32bn size, our PA will be approx $1.6mm

We have had dialogue with a couple of accounts who are interested in taking the risk at a spread around 20bps, we will post you next week when the trade materializes.

Fabrice

Confidential Treatment Requested by Goldman Sachs
May 31, 2007

ACA Credit Products – ABN AMRO, L.L.C.

To ACA Service L.L.C.

140 Broadway, 4th Floor

New York, New York 10005

Re: Credit Default Swap Insurance Policy No. S95097-55 dated May 31, 2007, together with Endorsement No. 1 attached thereto and dated the date thereof (together, the “Policy”)

Reference is hereby made to that certain ISDA Master Agreement (Multicurrency—Cross Border) and Schedule thereto dated as of May 31, 2007 (the “Master Agreement”) between ABN AMRO BANK N.V. (the “Bank”) and you and the Confirmation with a trade date of May 31, 2007 between the Bank and you (the “Confirmation”) and, together with the Master Agreement, the “Transaction Agreement”.

In connection with and in consideration for the issuance by ACA Financial Guaranty Corporation (“ACAGF”) of the Policy, you hereby agree to pay to ACAGF a premium (the “Premium”) equal to 99% of the Face Amount payable under the Transaction Agreement. The Premium will be paid to ACAGF promptly upon receipt of any Face Amount under the Transaction Agreement.

This agreement (i) shall be governed by and construed in accordance with New York law, (ii) sets forth the entire understanding with respect to the subject matter hereof and cancels any prior communications, understandings and agreements between the parties, (iii) may be amended only by a writing executed by each of the parties hereto, and (iv) may be executed and delivered in counterparts (including facsimile transmission), each of which will be deemed as original.

Please confirm your agreement with the foregoing by executing this letter agreement in the space provided below.

[Signature]

ACAGF Financial Guaranty Corporation

By:

Name:

Title:

ACCEPTED AND AGREED:

ACA Credit Products – ABN AMRO, L.L.C.

By:

Name:

Title:

Confidential Treatment Requested Under FOIA

Wall Street & The Financial Crisis

Permanent Subcommittee on Investigations

Report Footnote #2549

ACA ABACUS 0000593
CREDIT DEFAULT SWAP INSURANCE POLICY

Effective Date: May 31, 2007

Policy Number: SPF0975-58

Issuer: ACA Credit Products - ABN AMRO, L.L.C.

Counterparty: ABN AMRO BANK, N.V.

Agreement: (1) ISDA Master Agreement dated as of May 31, 2007 between Counterparty and Obligor including the Schedule thereto dated as of May 31, 2007 (together, the "Master"); (2) the Confirmation entered into contemporaneously with the trade date of May 31, 2007 (the "Confirmation")

ACA FINANCIAL GUARANTEE CORPORATION ("ACA"), a Maryland stock insurance company, in consideration of the payment of the premium and subject to the terms and conditions contained in this Policy (which includes each exhibit and endorsement thereto, hereby unconditionally and irrevocably agrees to pay to the Counterparty the portion of each insured Payment which shall become Due but Payment shall be suspended in the event of Insolvency by the Obligor.

ACA will make such payments to the Counterparty on the basis of the day on which each Insured Payment becomes Due for Payment or the Business Day next following the Business Day on which ACA shall have received a Notice of Insolvency in the form of Exhibit B hereto. Notice of Insolvency shall be deemed received as of a given Business Day if it is received prior to 1:00 p.m. New York Time on such Business Day; otherwise, it will be deemed received as of the next Business Day. A Notice of Insolvency must be in writing in accordance with Section 8 of the Master. Notice of Insolvency must specify the nature of the Insolvency and must include a description of the Insolvency that is at least reasonably sufficient to enable ACA to determine whether ACA's rights and obligations under this Policy are hereby suspended.

Each payment of the portion of each Insured Payment which shall become due shall be payment of all amounts due at such time under any payment under the Agreement, including the Counterparty's right to payment thereon of the entire amount of any payment under ACA hereunder.

This Policy is non-transferable for any reason, including without limitation, non-payment of premiums, and the provision in this Policy is not transferable for any reason, including the payment of any amount payable by or on behalf of the Obligor pursuant to the Agreement. This Policy shall expire upon the termination of the Agreement.

The following terms shall have the meanings specified for all purposes of this Policy. The terms "Obligor" and "Counterparty" mean the respective entities identified at such time. The term "Insured Payment" means the aggregate amount of all Payments which become Due but Payment shall be suspended in the event of Insolvency by the Obligor under the Agreement, in the course of which ACA, at its option, may make payments to the Counterparty on the Fifth Business Day following the Business Day on which ACA shall have received a Notice of Insolvency in the form of Exhibit B hereto. Notice of Insolvency shall be deemed received as of a given Business Day if it is received prior to 1:00 p.m. New York Time on such Business Day; otherwise, it will be deemed received as of the next Business Day. A Notice of Insolvency must be in writing in accordance with Section 8 of the Master. Notice of Insolvency must specify the nature of the Insolvency and must include a description of the Insolvency that is at least reasonably sufficient to enable ACA to determine whether ACA's rights and obligations under this Policy are hereby suspended.

Each payment of the portion of each Insured Payment which shall become due shall be payment of all amounts due at such time under any payment under the Agreement, including the Counterparty's right to payment thereon of the entire amount of any payment under ACA hereunder.

This Policy is non-transferable for any reason, including without limitation, non-payment of premiums, and the provision in this Policy is not transferable for any reason, including the payment of any amount payable by or on behalf of the Obligor pursuant to the Agreement. This Policy shall expire upon the termination of the Agreement.

The following terms shall have the meanings specified for all purposes of this Policy. The terms "Obligor" and "Counterparty" mean the respective entities identified at such time. The term "Insured Payment" means the aggregate amount of all Payments which become Due but Payment shall be suspended in the event of Insolvency by the Obligor under the Agreement, in the course of which ACA, at its option, may make payments to the Counterparty on the Fifth Business Day following the Business Day on which ACA shall have received a Notice of Insolvency in the form of Exhibit B hereto. Notice of Insolvency shall be deemed received as of a given Business Day if it is received prior to 1:00 p.m. New York Time on such Business Day; otherwise, it will be deemed received as of the next Business Day. A Notice of Insolvency must be in writing in accordance with Section 8 of the Master. Notice of Insolvency must specify the nature of the Insolvency and must include a description of the Insolvency that is at least reasonably sufficient to enable ACA to determine whether ACA's rights and obligations under this Policy are hereby suspended.

Each payment of the portion of each Insured Payment which shall become due shall be payment of all amounts due at such time under any payment under the Agreement, including the Counterparty's right to payment thereon of the entire amount of any payment under ACA hereunder.

This Policy is non-transferable for any reason, including without limitation, non-payment of premiums, and the provision in this Policy is not transferable for any reason, including the payment of any amount payable by or on behalf of the Obligor pursuant to the Agreement. This Policy shall expire upon the termination of the Agreement.

The following terms shall have the meanings specified for all purposes of this Policy. The terms "Obligor" and "Counterparty" mean the respective entities identified at such time. The term "Insured Payment" means the aggregate amount of all Payments which become Due but Payment shall be suspended in the event of Insolvency by the Obligor under the Agreement, in the course of which ACA, at its option, may make payments to the Counterparty on the Fifth Business Day following the Business Day on which ACA shall have received a Notice of Insolvency in the form of Exhibit B hereto. Notice of Insolvency shall be deemed received as of a given Business Day if it is received prior to 1:00 p.m. New York Time on such Business Day; otherwise, it will be deemed received as of the next Business Day. A Notice of Insolvency must be in writing in accordance with Section 8 of the Master. Notice of Insolvency must specify the nature of the Insolvency and must include a description of the Insolvency that is at least reasonably sufficient to enable ACA to determine whether ACA's rights and obligations under this Policy are hereby suspended. If such determination is not made within sixty days after the date on which such determination is required to be made, the Agreement shall be terminated, and the Insured Payment shall be deemed paid in full on the date on which such determination is required to be made.

Each payment of the portion of each Insured Payment which shall become due shall be payment of all amounts due at such time under any payment under the Agreement, including the Counterparty's right to payment thereon of the entire amount of any payment under ACA hereunder.

This Policy is non-transferable for any reason, including without limitation, non-payment of premiums, and the provision in this Policy is not transferable for any reason, including the payment of any amount payable by or on behalf of the Obligor pursuant to the Agreement. This Policy shall expire upon the termination of the Agreement.

The following terms shall have the meanings specified for all purposes of this Policy. The terms "Obligor" and "Counterparty" mean the respective entities identified at such time. The term "Insured Payment" means the aggregate amount of all Payments which become Due but Payment shall be suspended in the event of Insolvency by the Obligor under the Agreement, in the course of which ACA, at its option, may make payments to the Counterparty on the Fifth Business Day following the Business Day on which ACA shall have received a Notice of Insolvency in the form of Exhibit B hereto. Notice of Insolvency shall be deemed received as of a given Business Day if it is received prior to 1:00 p.m. New York Time on such Business Day; otherwise, it will be deemed received as of the next Business Day. A Notice of Insolvency must be in writing in accordance with Section 8 of the Master. Notice of Insolvency must specify the nature of the Insolvency and must include a description of the Insolvency that is at least reasonably sufficient to enable ACA to determine whether ACA's rights and obligations under this Policy are hereby suspended. If such determination is not made within sixty days after the date on which such determination is required to be made, the Agreement shall be terminated, and the Insured Payment shall be deemed paid in full on the date on which such determination is required to be made.

Each payment of the portion of each Insured Payment which shall become due shall be payment of all amounts due at such time under any payment under the Agreement, including the Counterparty's right to payment thereon of the entire amount of any payment under ACA hereunder.

This Policy is non-transferable for any reason, including without limitation, non-payment of premiums, and the provision in this Policy is not transferable for any reason, including the payment of any amount payable by or on behalf of the Obligor pursuant to the Agreement. This Policy shall expire upon the termination of the Agreement.

The following terms shall have the meanings specified for all purposes of this Policy. The terms "Obligor" and "Counterparty" mean the respective entities identified at such time. The term "Insured Payment" means the aggregate amount of all Payments which become Due but Payment shall be suspended in the event of Insolvency by the Obligor under the Agreement, in the course of which ACA, at its option, may make payments to the Counterparty on the Fifth Business Day following the Business Day on which ACA shall have received a Notice of Insolvency in the form of Exhibit B hereto. Notice of Insolvency shall be deemed received as of a given Business Day if it is received prior to 1:00 p.m. New York Time on such Business Day; otherwise, it will be deemed received as of the next Business Day. A Notice of Insolvency must be in writing in accordance with Section 8 of the Master. Notice of Insolvency must specify the nature of the Insolvency and must include a description of the Insolvency that is at least reasonably sufficient to enable ACA to determine whether ACA's rights and obligations under this Policy are hereby suspended. If such determination is not made within sixty days after the date on which such determination is required to be made, the Agreement shall be terminated, and the Insured Payment shall be deemed paid in full on the date on which such determination is required to be made.

Each payment of the portion of each Insured Payment which shall become due shall be payment of all amounts due at such time under any payment under the Agreement, including the Counterparty's right to payment thereon of the entire amount of any payment under ACA hereunder.

This Policy is non-transferable for any reason, including without limitation, non-payment of premiums, and the provision in this Policy is not transferable for any reason, including the payment of any amount payable by or on behalf of the Obligor pursuant to the Agreement. This Policy shall expire upon the termination of the Agreement.
CREDIT DEFAULT SWAP INSURANCE POLICY

Policy Number: SP0006

Exhibit A

NOTICE OF NONPAYMENT

ACA Reinsurance Corporation
400 South Street
New York, NY 10013
Attention: Corporate Counsel

Ladies and Gentlemen:

We refer to Credit Default Swap Insurance Policy No. SP0006 (the “Policy”) issued by ACA Reinsurance Corporation ("ACA"). Capitalized terms used herein or in the Policy which are defined to have the same meaning as in the Policy or this Agreement, or the case may be, unless the context clearly requires otherwise.

By the duly authorized officers named below, we hereby certify that we are the Company referred to in the Policy and further certify as follows:

[FOR NONPAYMENT OF PAYING PAYMENT:

1. Pursuant to the IDENTIFY CONFIRMATIONS Confirmation under the Policy, the Obligor is required to make a Paying Payment in the amount of RESINDEBT FULL AMOUNT OF PAYING PAYMENT("Resindate") in RESINDEBT PAYMENT DUE DATE.

2. The Company has received RESINDEBT DUE PAYMENT from the Obligor in the amount of RESINDEBT PAYMENT DUE DATE on RESINDEBT PAYMENT DUE DATE, RESINDEBT PAYMENT DUE DATE and other information required under the Agreement supporting the determination of the amount of such Transaction Payment.

3. The Company has received RESINDEBT OF PARTIAL AMOUNT OF PAYMENT from the Obligor in the amount of RESINDEBT PAYMENT DUE DATE on RESINDEBT PAYMENT DUE DATE, RESINDEBT PAYMENT DUE DATE and other information required under the Agreement supporting the determination of the amount of such Transaction Payment.

4. The Company has received RESINDEBT OF PARTIAL AMOUNT OF PAYMENT from the Obligor in the amount of RESINDEBT PAYMENT DUE DATE on RESINDEBT PAYMENT DUE DATE, RESINDEBT PAYMENT DUE DATE and other information required under the Agreement supporting the determination of the amount of such Transaction Payment.

5. We hereby request that ACA make payment of the Policy on an unconditional basis to the Policy whereby the proceeds of Policy held in trust are to be paid to the Policy holder.

By witness whereof, we have executed and delivered this Notice of Nonpayment of the date as last written.

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILE A STATEMENT OF INFORMATION CONTAINING ANY MATERIAL FALSE INFORMATION OR CONCEALS FROM THE INSURER ANY MATERIAL FACT, KNOWINGLY AND WITH INTENT TO DEFRAUD AN INSURANCE COMPANY OR OTHER PERSON FILE A STATEMENT OF INFORMATION CONTAINING ANY MATERIAL FALSE INFORMATION THAT IS IN MATERIAL FACT, KNOWINGLY AND WITH INTENT TO DEFRAUD AN INSURANCE COMPANY OR OTHER PERSON FILE A STATEMENT OF INFORMATION CONTAINING ANY MATERIAL FALSE INFORMATION THAT IS IN MATERIAL FACT, SHALL ALSO BE SUBJECT TO A FELONY.

(Date)

By:

[Name]

[Signature]

[Title]

Confidential Treatment Requested Under FOIA

by Fried Frank Harris Shriver & Jacobson LLP

ACA ABACUS 00000595

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01165 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
CREDIT DEFAULT SWAP INSURANCE POLICY

Policy Number: SP0057-38

Exhibit B

Form of Assignment

(Credit Default Swap Insurance Policy No. SP0057-38)

Reference is hereby made to the Credit Default Swap Insurance Policy No. SP0057-38, together with the Endorsements attached thereto, and any provisions thereof, the "Policy" issued by ACA Financial Guaranty Corporation ("ACA") relating to the (i) ISA Master Agreement dated as of ___ between the Counterparty and Obligor (each as defined therein) including the Schedule dated as of ___ (the "Master") and (ii) Confirmation dated ___ entered into by such parties under the Master (the "Confirmation") and together with the "Master", the "Agreement". Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Policy.

1. In connection with the Insured Payment which is not an Avoided Payment of $_________ paid by ACA to the Counterparty pursuant to a claim described on __________ under the Policy in accordance with the terms thereof, [indented]

2. In connection with the Avoided Payment of $_________ made by the Obligor to the Counterparty under the Agreement and the payment by ACA in respect of such Avoided Payment pursuant to a claim described on __________ under the Policy in accordance with the terms thereof,

the Counterparty hereby irrevocably and unconditionally, without recourse, representation or warranty (except as provided below), sells, assigns, transfers, conveys and delivers to ACA all of its rights, title and interest in and to any rights or claims, whether accrued, anticipated or otherwise, which the Counterparty now has or may hereafter acquire under the Agreement, or howsoever, against any person including, but not limited to, the Obligor relating to, arising out of or in connection with such Insured Payment or Avoided Payment, as the case may be, subject to the Escrow Fund. The rights assigned to ACA hereunder shall be a non-assignable right, and no rights or interest in such rights and claims, the Counterparty and ACA shall agree on such matters as it may reasonably require to affect such assignment, which assignment shall be without recourse, representation or warranty except as provided above. [indented]

IN WITNESS WHEREOF, the Counterparty has duly executed and delivered this Assignment as of __________, 200__.

[NAME OF COUNTERPARTY]

[Signature]

[Title]

Confidential Treatment Requested Under FOIA

by Fried Frank Harris Shriver & Jacobson LLP

ACA ABACUS 0000596
Footnote Exhibits - Page 5234

From: Bimbaum, Josh
Sent: Tuesday, May 08, 2007 9:22 PM
To: Toure, Fabrice; Egli, Jonathan; Williams, Geoffrey
Cc: Swenson, Michael; Lehman, David A.
Subject: RE: Post on Paulson and ABACUS 07-AC1
x-ga-classification: Internal-0S

Ok, thanks. LDL in the morning.

From: Toure, Fabrice
Sent: Tuesday, May 08, 2007 9:15 PM
To: Bimbaum, Josh; Salem, Deeb
Subject: RE: Post on Paulson and ABACUS 07-AC1

2006 vintage. Tier 0/Tier 3 names. Avg spread of approx 45bps mid-market. We already executed a few trades on 21-25 tenor (got that done at 115bps $1/10m nominal, VERY good level, also traded 35-45 (got that done at 68bps $120m nominal, also good level, more to be printed over the next few weeks). Give me a buzz if you want to discuss live.

From: Bimbaum, Josh
Sent: Tuesday, May 08, 2007 9:17 PM
To: Toure, Fabrice; Salem, Deeb
Subject: RE: Post on Paulson and ABACUS 07-AC1

What do we think is the portfolio spread?

From: Toure, Fabrice
Sent: Tuesday, May 08, 2007 9:17 PM
To: Bimbaum, Josh
Subject: RE: Post on Paulson and ABACUS 07-AC1

100% 10yo RMBS selected by ACA/Paulson

From: Bimbaum, Josh
Sent: Tuesday, May 08, 2007 9:17 PM
To: Toure, Fabrice; Sparks, Daniel L.
Cc: Egli, Jonathan; Lehman, David A.; Gert, David; Williams, Geoffrey; Swenson, Michael
Subject: RE: Post on Paulson and ABACUS 07-AC1

Remind me, what is the ref portfolio?

From: Toure, Fabrice
Sent: Tuesday, May 08, 2007 8:35 PM
To: Sparks, Daniel L.
Cc: Egli, Jonathan; Lehman, David A.; Gert, David; Williams, Geoffrey; Swenson, Michael; Bimbaum, Josh

Confidential Treatment Requested by Goldman Sachs. OS MIBS-003552015

Permian Subprime or Inflationary Wall Street & The Financial Crisis Report Footnote #2551
Footnote Exhibits - Page 5235

Subject: Post on Paulson and ABACUS 07-ACL

Dan,

As you know we have been working on the ABACUS 07-AC1 trade, the RMBS CDO short that we are brokering for Paulson. The super senior tranche off that portfolio is most likely going to be executed with ACA, through ASGN, as an interbank counterparty. The exact trade would be the following: GS would buy protection on $1bn notional of 50-100 tranches off the reference portfolio at an all-in level 67bps. Paulson was initially expecting to short the 45-100 tranche, and at this point we are not 100% sure they would want to execute on 50-100. Here are the options we are going to walk them through:

Option 1: we offer them protection on 50-100 @ 80bps running, 1st upfront, $1bn notional. We would make risk-free approx $16mm

Option 2: we offer them protection on 45-100 @ 80bps running, 1.50pt upfront, $1bn notional. We would be at risk on $850mm of the 45-59 tranche, but assuming we can trade that tranche at approx 100bps spread (which I am confident we can do), we would make $16mm.

Let me know if you have any questions on this.

Goldman, Sachs & Co.
55 Sears Street | New York, NY 10004
Tel: 212-902-5001 | Fax: 212-486-0100 | Cell: 917-...
Email: fauss道具@gs.com

Fabrice Tourre

Structural Products Group

GS MBS-E-003352816

Confidential Treatment Requested by Goldman Sachs
Hey Fab, I just caught up with Wade. He has confirmed he has lines for AXA and is interested in the trade. He has to wait to get the amount of capital it will use from Amsterdam on early Monday and then if all still ok will call us and haggle over price as he thinks there is a lot of money in the deal for GS. This seems to be moving in the right direction I have set up lunch for you with him on Thursday next week.

Have a good weekend.

Charlie

Golden Sachs International
Peterborough Court | 123 Fleet Street | London EC4A 2RR
Tel: +44 (0)20 7332 0298 | Mobile: +44 7790
E-mail: charlie.rommant@gsp.com
Goldman Sachs
Charlie Rommant CFA
Executive Director
Fixed Income, Currency & Commodities

Authorized and regulated by the Financial Services Authority

Disclaimer:
© Copyright 2006 The Goldman Sachs Group, Inc. All rights reserved.
This message may contain information that is confidential or privileged. If you are not the intended recipient, please advise the sender immediately and delete this message. See http://www.gs.com/disclaimer/email for further information on confidentiality and the risks inherent in electronic communication. See http://www.gs.com/disclaimer/email-salessalesandtrading.html for important risk disclosure, conflicts of interest and other terms and conditions relating to the e-mail and your reliance on information contained in it.

Goldman Sachs International ("GSI") is authorized and regulated by The Financial Services Authority and appears in the FSA register under number 142888. GSI is subject to the FSA rules and guidance, details of which can be found on the FSA's website at http://www.fsa.gov.uk. GSI is registered as a Private Unlimited Company in England and Wales (Company Number 2583951). (VAT registration number GB 467 2649 28). Registered Office as above.

-----Original Message-----
From: Toomey, Fabrice
Sent: Friday, April 13, 2007 5:25 AM
To: rommant.charlie@abn.amerco.com
Cc: Remnant, Charlie stephen.potter@abn.amerco.com
Subject: RE: ABACUS 07-AC1

Wade, sorry for the late response I was travelling yesterday and today. Here are my thoughts on your question:

1) the total credit spread of this 45-100 super senior tranche is going to be approx 58bps

Confidential Treatment Requested by Gold

GS MBS-E-002485172
Footnote Exhibits - Page 5237

1166

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01170 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT

1166

Footnote Exhibits - Page 5237

2) As an intermediary, you are getting paid for taking the super senior tranche credit risk contingent on AGA defaulting. Therefore the fee intermediary is traditionally paid is often directly proportional to the maximum potential exposure of a trade - a measure of how volatile the M115 of the trade can be. The fact that the spread on that super senior tranche is wide can not directly be translated into higher M115 volatility than trades done at tighter spread levels. Note also that this transaction has been built with a full sequential paydown sequence (i.e. fast amortization of the super senior tranche, roll down pretty significant, and short projected average life of the trade), which is going to rapidly reduce your counterparty risk.

3) I am sure we can discuss collectively with AGA and come up with an arrangement that can be satisfactory to all parties. We used to trade with a couple of other counterparties in the past at a cost of approx 4-5 bps running for similar underlying risks. Those counterparties have slowly gotten full on AGA’s name and that is why we are now trading at the 8-10bps wider level for AGA intermediation.

Let Charlie and I know if you are available tomorrow, we would love to get on the phone and discuss this with you. Thanks,

Regards,

Fabrice

-----Original Message-----
From: wade.newmark@bk.abhno.co.uk
Sent: Wednesday, April 11, 2007 12:20 PM
To: Toure, Fabrice
Cc: Remmet, Charlie; stephen.potters@bk.abhno.co.uk
Subject: ANGUS 07-ACL

Thanks for your note.

We may have issues on the economics.

It seems that GS have agreed 50 for AGA. This is troubling on two counts:

- Normally on intermediation the risk taken economics are shared 1/3 2/3
- Bank and Insurer. On this calculation we should be getting around 17
  bps to us and 43 to AGA if AGA was AAA.

However there is the additional challenge that AGA is a worse credit

Considering the above a figure of 8 to 10 is way off the mark.

Thoughts please?

Wade R. Newmark
+44 (0) 207 678 6424 (office)
+44 (0) 20 7857 9697 (fax)
+44 (0) 7949 870037 (mobile)

This message (including any attachments) is confidential and may be privileged. If you have received it by mistake please notify the sender by return e-mail and delete this message from your system. Any unauthorised use or dissemination of this message in whole or in part is strictly prohibited. Please note that e-mails are susceptible to change. ABN AMRO Bank N.V., which has its seat at Amsterdam, the Netherlands, and is registered in the Commercial Register under number 33022367, including its group companies, shall not be liable for the improper or incomplete transmission of the information contained in this communication nor for any delay in its receipt or damage to your system. ABN AMRO Bank

Confidential Treatment Requested by Goldman Sachs

GS MSG-002485173

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01170 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
From: Thade, Tim
Sent: Wednesday, May 09, 2007 1:29 PM
To: Tourn, Fabrice
Cc: fico-morgan-deal; Remnant, Charlie; Singh, Nihal; Narney, Michael; Friedman, Nicolas B.; Bartle, James M.; Ludkin, Kerry; Gunhold, Tiffary
Subject: RE: ABN AMRO

Fabrice,

This is approved for GSI assuming that the trade will be covered under the existing ISDA/CSA with ABN AMRO BANK N.V.

Thanks
Tim

From: Tourn, Fabrice
Sent: Wednesday, May 09, 2007 1:36 PM
To: Thade, Tim
Cc: fico-morgan-deal; Remnant, Charlie; Singh, Nihal; Narney, Michael; Friedman, Nicolas B.; Bartle, James M.
Subject: RE: ABN AMRO

Tim, please check with Nico Friedman in GS Credit New York how the potential exposure calculation has been done in the past for these trades. Nico, we are talking about trading the 50-100 tranche ($1bn optional) @ 67bps p.a., portfolio details attached below.

<< File: ABACUS 2007-AC1 Reference Portfolio (GS Credit) 20070506.xls >>

Please call me if you have any questions.

From: Thade, Tim
Sent: Wednesday, May 09, 2007 5:05 AM
To: Tourn, Fabrice
Cc: fico-morgan-deal; Remnant, Charlie; Singh, Nihal; Narney, Michael; Friedman, Nicolas B.; Bartle, James M.
Subject: RE: ABN AMRO

Fabrice,

Could you give us an estimate of the spread volatility and expected maturity/duration of the tranche? Could you also please confirm that this trade would fall under the existing ISDA/CSA we have with GSI.

Thanks
Tim

From: Tourn, Fabrice
Sent: Tuesday, Nov 06, 2007 11:57 PM
To: Thade, Tim; Friedman, Nicolas B.
Cc: fico-morgan-deal; Remnant, Charlie; Singh, Nihal; Narney, Michael
Subject: ABN AMRO

Tim, Nico,

We are close to executing with ABN AMRO Bank NV London Branch (acting as protection seller) a $1bn super senior swap referencing the 50-100 tranche on a portfolio of Fixed RMBS obligation – see the trade details below. We wanted to make sure we have capacity to take ABN's counterparty risk for this trade. Please let me know.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-002461503
Summary of Terms

- Trade Date: [ ]
- Reference Portfolio: ABACUS 2007-4C1
- Counterparty: ABN AMRO Bank NV London Branch
- Protection Buyer: GS

Counterparty ("Seller") writes protection to Goldman Sachs International ("GSI" or "Buyer") on tranches CDS with specified attachment point and specified exhaustion point. Seller receives premium on the related Notional Amount (payable on a monthly basis by Buyer, Actual/365 discount convention).

- Initial Reference Portfolio Notional Amount: USD 2,000,000,000
- Initial Swap Notional Amount: USD 1,000,000,000
- Attachment Point: 50%
- Exhaustion Point: 100%
- Senior Amount: (1 - Exhaustion Point) x Initial Reference Portfolio Notional Amount
- First Loss Amount: (Attachment Point) x Initial Reference Portfolio Notional Amount
- Tranche Thickness: Exhaustion Point - Attachment Point
- Tranche Notional Amount: (Tranche Thickness) x Initial Reference Portfolio Notional Amount: as reduced by (a) Amortizations on the Reference Portfolio after the Senior Amount has been reduced to zero, and (b) Loss Amounts after the First Loss Amount has been reduced to zero.
- Tranche Spread: 0.677%
- Non-Call Period: 3 years (Buyer has the right to cancel the CDS at no cost at any time after the end of the Non-Call Period)
- Credit Events/Settlement Mechanisms: Writedown and Failure to Pay Principal; Cash Settlement only.
- Transactions consistent with the current form of Standard Terms Supplement for a Credit Derivative Transaction on Mortgage-Backed Security with Pay-As-You-Go or Physical Settlement (Form I) (Deleter Form) and Form of Confirmation.
- Premium Payments: monthly, ACT/360, accrued on the notional amount of the Tranche Notional Amount.
- Scheduled Termination Date: May 25, 2037
- CDS Calculation Agent: Protection Buyer
- Nostlying Party: Protection Buyer only

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5240

From: Tourre, Fabrice
Sent: Tuesday, April 10, 2007 7:51 AM
To: Friedman, Nicolas B.; Gerst, David
Cc: Raazi, Cactus
Subject: RE: ABACUS 07-AC1

Nice – smaller list – can you call me when you get a chance? This is the first trade I believe we are doing with this specific entity, would love to try to figure out a way to do more business with Paulson - happy to discuss that P&L opportunity as well. thanks Neo

From: Friedman, Nicolas B.
Sent: Monday, April 09, 2007 7:44 PM
To: Gerst, David; Tourre, Fabrice; fcc-mtgcom-tradeapproval
Cc: Raazi, Cactus; CDS approvals
Subject: RE: ABACUS 07-AC1

Approved

Cactus - please note that we do not have any additional risk appetite with this fund. No more derivative business with this fund, unless offsetting from risk perspective. Are you ok with this?

From: Gerst, David
Sent: Monday, April 09, 2007 5:13 PM
To: Friedman, Nicolas B.; Tourre, Fabrice; fcc-mtgcom-tradeapproval
Cc: Raazi, Cactus; CDS approvals
Subject: RE: ABACUS 07-AC1

Nico,

We were just informed that the entity we will have is "Paulson Credit Opportunities Master II Ltd." rather than "Paulson Credit Opportunities Master I Ltd." Can you confirm approval and margin, if any.

Thanks,

David

From: Friedman, Nicolas B.
Sent: Wednesday, April 04, 2007 2:05 PM
To: Tourre, Fabrice; fcc-mtgcom-tradeapproval
Cc: Raazi, Cactus; CDS approvals
Subject: RE: ABACUS 07-AC1

You have credit approval - no IA required.

From: Tourre, Fabrice
Sent: Tuesday, April 03, 2007 2:37 PM
To: fcc-mtgcom-tradeapproval
Cc: Raazi, Cactus
Subject: ABACUS 07-AC1

Permanent Systems in Investigations
Wall Street & The Financial Crisis
Report Footnote #2552

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5241

In connection with the ABACUS 07-AC1 transaction which is expected to price on Tuesday, April 10, 2001, we expect, on that same day, to execute the following two tranches with Paulson Credit Opportunities:

- GS sells protection on $500m notional of 30%-45% tranche off ABACUS 07-AC1 reference portfolio at a price of 2.30% upfront, 1.16% p.a. - 2 year non-call
- GS sells protection on $1452m notional of 21%-35% tranche off ABACUS 07-AC1 reference portfolio at a price of 2.50% upfront, 1.41% p.a. - 2 year non-call

See attached reference portfolio.

GS Credit: can you please confirm that we are ok with those trades, and confirm the margin, if any, associated with those trades.

Goldman, Sachs & Co.
60 Broadway | 8th Floor | New York, NY 10006
Tel: 212-902-5661 | Fax: 212-902-0588 | Cell: 917-
Email: lauren.kxrr@gs.com

Fabric Toure
Structured Products Group

This material has been prepared specifically for you by the Merrill Lynch Trading Department and is not the product of Merrill Lynch Research. We are not soliciting any action based upon this material. Opinions expressed are those of Merrill Lynch and may not be shared by all brokers. The material is based upon information believed to be reliable, but the accuracy and completeness of any such information cannot be guaranteed. The material is intended for use by Merrill Lynch customers and is not intended for public distribution and may not be used by any other entity. We, or persons involved in the preparation or issuance of this material, may from time to time have long or short positions in, and/or act as market maker in, the securities of issuers that are discussed herein. Merrill Lynch makes no representation as to the completeness or accuracy of such information. This material does not constitute an offer to sell or a solicitation of an offer to buy any security. Merrill Lynch is committed to maintaining the highest standards of confidentiality with respect to its clients. We have not received any compensation, directly or indirectly, for the preparation, distribution, and service of this material. This material is for information purposes only and is not intended to constitute investment advice or the solicitation of an offer to purchase any security or instruments. This material is not independent research within the meaning of the rules of the U.S. Securities and Exchange Commission. This material does not constitute an offer to sell or a solicitation of an offer to buy any security. Merrill Lynch has not independently verified any of the information provided. Merrill Lynch will make every effort to ensure that the information is accurate and complete, but cannot guarantee the information's accuracy or completeness. Any errors or omissions are unintentional. Merrill Lynch is not responsible for any errors or omissions. This material is not intended to be a complete description of the terms, conditions, and risks associated with investing in the securities of any issuer. This material is not an offer to sell or a solicitation of an offer to buy any security. Merrill Lynch has no obligation to update the material provided to you, except as required by law.

This material has been provided by Goldman, Sachs & Co. and has been approved by Goldman, Sachs & Co. for publication and distribution in the United Kingdom. Goldman Sachs Canada Inc. in connection with its distribution in Canada. Further information on any of the securities, features, or options mentioned in this material may be obtained upon request and for the purpose of this note should contact Goldman Sachs 2000, 8th Floor, 133 Water Street, New York, New York 10038.

This material does not evidence or constitute any agreement or legally binding commitment between any parties and does not constitute a representation or commitment to provide any financing or underwriting. Any financing or underwriting is subject to all requisite regulatory approval of Goldman Sachs and is subject to, among other things, the completion of due diligence and the receipt of satisfactory documentation in form and substance satisfactory to Goldman Sachs.

This message may contain information that is confidential or privileged. If you are not the intended recipient, please delete this immediately and notify the sender immediately and erase the message. See http://www.goldmansachs.com/about/goldmansachs.html for further information on confidentiality and the risks inherent in electronic communication.

© Copyright 2001 The Goldman Sachs Group, Inc. All rights reserved.
Footnote Exhibits - Page 5242

Subject: GS Liquidation Agent Role in ABS CDOs
Start: Thu 7/19/2007 9:00 AM
End: Thu 7/19/2007 12:00 AM
Show Time As: Tentative
Recurrence: (none)
Meeting Status: Not yet responded
Required Attendees: Lehman, David A.; Egel, Jonathan; Bieber, Matthew G.; Case, Benjamin; Kang, Connie; West, Antone; Gerli, David; Sharma, Nihayarnd; Mishra, Deepak R.; Lin, Shelly, Ganapathy, Mahew, Saunders, Tim; Kim, Sang; Zack, David; Horvath, Jordan

Here are some notes we put together so far relating to Goldman's liquidation agent role. We can discuss and add on to this list during the meeting tomorrow.

Below is a summary of transactions wherein Goldman Sachs serves as Liquidation Agent and Goldman's responsibilities in the event any asset in these portfolios experiences rating downgrades and/or other distress:

Goldman currently serves as Liquidation Agent for the following transactions:
Houlihan High Grade Funding 2006-1
Hudson Mezzanine Funding 2006-1
Hudson Mezzanine Funding 2006-2
Anderson Mezzanine Funding 2007-1

In all of these transactions, Goldman, upon receiving notice from the Trustee or other designated parties, shall within 12 months will reassess a combination of Credit Risk Obligations, Directed Sales Securities and Delivered Obligations as applicable.

The following assets are currently identified as Credit Risk Obligations based on our calculation, however, we have not received notifications from respective trustees to sell these assets as of yet. This list needs to be rechecked again to incorporate yesterday and today's ratings actions:

Hudson Mezz 06-1:
<table>
<thead>
<tr>
<th>Name</th>
<th>Par</th>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA T 2006-1 MB</td>
<td>15,000,000.00</td>
<td>B1</td>
<td>B</td>
</tr>
<tr>
<td>MSAC 2006-WM20 B3</td>
<td>15,000,000.00</td>
<td>B3</td>
<td>B</td>
</tr>
<tr>
<td>GCML 2006-2 MB</td>
<td>13,000,000.00</td>
<td>Ba1</td>
<td>B</td>
</tr>
<tr>
<td>SAIL 2006-4 MB</td>
<td>15,000,000.00</td>
<td>Ba2</td>
<td>CCC</td>
</tr>
<tr>
<td>SAIL 2006-4 MB</td>
<td>15,000,000.00</td>
<td>B1</td>
<td>CCC</td>
</tr>
</tbody>
</table>

Hudson Mezz 06-2:
<table>
<thead>
<tr>
<th>Name</th>
<th>Par</th>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAIL 2006-4 MB</td>
<td>5,000,000.00</td>
<td>Ba2</td>
<td>CCC</td>
</tr>
<tr>
<td>LSA T 2006-1 MB</td>
<td>5,000,000.00</td>
<td>B1</td>
<td>B</td>
</tr>
<tr>
<td>MSAC 2006-WM20 B3</td>
<td>5,000,000.00</td>
<td>B3</td>
<td>CCC</td>
</tr>
<tr>
<td>SAIL 2006-4 MB</td>
<td>5,000,000.00</td>
<td>B1</td>
<td>CCC</td>
</tr>
</tbody>
</table>

In Hudson High Grade, Anderson Mezzanine Funding, and Houlihan, no asset is currently identified as Credit Risk Obligations

Sales Price Determination
Prior to any assignment, termination or other disposition of a Directed Sales Security, a Credit Risk Obligation or a

Confidential Treatment Requested by Goldman 1

GS MBS-E-014055117
Delivered Obligation, the Liquidation Agent shall use commercially reasonable efforts to solicit bids with respect to such security from at least three (3) independent dealers and a market for such security (no more than one of which is the Liquidation Agent or an Affiliate thereof) on the Business Day on which the Indenture requires the Liquidation Agent to arrange such sale. If the Liquidation Agent obtains three (3) or more bids in accordance with the preceding sentence, then the Liquidation Agent shall use its commercially reasonable efforts to arrange for the sale of the applicable security at the highest bid price. If the Liquidation Agent obtains fewer than three (3) bids as provided above, then the Liquidation Agent, consistent with the other provisions of this Agreement and the Indenture, shall use its commercially reasonable efforts to arrange for the assignment, termination or other disposition of the applicable security at the highest of two (2) bid prices received and, if only one (1) bid is received, at the price so bid. Assuming at least one bid is received in accordance with the preceding sentence, the applicable security shall be disposed of at the highest bid price.

One exception in Anderson Mezz:
In the case of a disposition of a CDS Transaction, such CDS Transaction shall only be disposed of if the Market Quotation (as such term is defined in the Credit Default Swap) obtained pursuant to the terms of the Credit Default Swap expressed as a percentage of the related initial Reference Obligation Notional Amount shall be equal to or less than 90% (neglecting with deal counsel currently on what this means exactly)

What constitutes a Credit Risk Obligation varies from transaction to transaction:

Hudson High Grade Funding 2005-1
A "Credit Risk Obligation" is a Collateral Asset (i) the rating of which has been (a) downgraded to below "BBB-" or "BB" by any Rating Agency (but not including any Collateral Assets which are rated "BBB-" or "BB") and on credit watch for possible downgrade(s) or (b) withdrawn or, (ii) that is a Defaulted Obligation, (iii) that is a PIK Bond that has been deferring interest for at least twelve consecutive months or (iv) identified in Appendix B as Collateral Asset FN: 2005 KF, FVR 0105 FG, FVR 2005-79 FA or FNR 2005-79 FG and one-month LIBOR exceeds 6.30% for at least twelve consecutive months. "PIK Bond" means a CDO Security on which the deferral of interest does not constitute an event of default pursuant to the terms of the related underlying instruments (while any other senior debt obligation is outstanding if so provided by the related indenture or other underlying instruments).

Hudson Mezzanine Funding 2005-1 and 2005-2
A "Credit Risk Obligation" is a Reference Obligation (i) the rating of which has been (a) downgraded to below "BBB-" or "BB" by any Rating Agency (but not including any Reference Obligations which are rated "BBB-" or "BB") and on credit watch for possible downgrade(s) or (b) withdrawn or, (ii) that is a Defaulted Obligation or (iii) that is a PIK Bond that has been deferring interest for at least twelve consecutive months. "PIK Bond" means a Reference Obligation or Delivered Obligation on which the deferral of interest does not constitute an event of default pursuant to the terms of the related underlying instruments (while any other senior debt obligation is outstanding if so provided by the related indenture or other underlying instruments).

Anderson Mezzanine Funding 2007-1
A "Credit Risk Obligation" is a Reference Obligation (i) the rating of which has been (a) downgraded to below "BB" or "B3" by any Rating Agency (but not including any Reference Obligations which are rated "BB" or "B3") and on credit watch for possible downgrade(s) or (b) withdrawn or, (ii) that is a Defaulted Obligation or (iii) that is a PIK Bond that has been deferring interest for at least twelve consecutive months. "PIK Bond" means a Reference Obligation or Delivered Obligation on which the deferral of interest does not constitute an event of default pursuant to the terms of the related underlying instruments (while any other senior debt obligation is outstanding if so provided by the related indenture or other underlying instruments).

Other Notes:
In the event that the Liquidation Agent is terminating a CDS contract on behalf of the CDO and a termination payment is owed to the Credit Protection Buyer (GS), the Credit Protection Buyer will be paid first from cash andeligible investments on deposit in the CDS collateral account (to the extent available), and then from the proceeds of liquidation of the Collateral Securities.

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-014055118
MEMORANDUM

To: Mortgage Capital Committee
From: Peter L. Ostern
Daryl K. Herrick
Deva Mitrata
John X. Li
Cc: Jonathan Sobel
Daniel L. Sparks
David J. Rosenblum
Tim Saunders
Date: July 17, 2006
Re: Placing debt and equity on a static high grade structured product CDO Squared with

1. Introduction

Investec has engaged Goldman with respect to a $1.0 billion static high grade structured product CDO Squared (" HudBay II") backed by a $1.0 billion portfolio of primarily double-A and single-A rated CDO assets with remaining assets consisting of A3/A- and higher rated RMBS, ABS, and CMBS with an average rating on the portfolio of Aa3/AA-. Goldman will be engaged by HudBay II as Liquidation Agent and in this role will have the responsibility of liquidating "Credit Risk Assets" (defined below in section III). Goldman and Investec will co-select the partner that will collateralize the CDO. Goldman will be lead placement agent for the debt and equity, and Investec will be co-placement agent with respect to the equity and has pre-committed to purchase half of the equity, subject to a cap of $7MM, with greater commitment subject to their credit committee's prior approval (expected size of equity tranche is $10 million to $14MM, upon closing of the transaction. Investec will share 50% of warehouse risk, subject to a cap of $10 MM, during the portfolio ramp-up.

In return for warehousing, structuring, its role as Liquidation Agent for, and placing the transaction, Goldman will receive a 0.22% fee ($2.5MM on a $1.0 billion deal) from the CDO at closing, and an ongoing fee of 0.04% of the CDO's per portfolio balance. Total economics for Goldman are expected to be approx. 0.32% MM (includes 2.5 mm upfront fee, 0.04% ongoing fee, and approx. $1.2 MM not carried). We will be offering equity to third parties with a no-loss yield of approximately 17% and expected return of approximately 15% to 16%. In return for co-placing the equity and pre-committing to 50% of the equity, Investec will receive a 0.25% fee ($2.5MM on a $1.0 billion deal) from the CDO at closing.

As Liquidation Agent, Goldman will liquidate assets determined by the Trustees to be "Credit Risk Assets" based on specific guidelines. Goldman will have 12 months to sell these assets. Sales will be made under a competitive bidding process whereby we will solicit three outside bids and select the highest. Prior to executing HudBay II, in which we also played the Liquidation Agent role, we spoke with multiple counterparties as to our role as Liquidation Agent. We received approval for our role in this transaction from both the trustees and the CDO. We spoke with outside counsel, Orrick, Herrington, and they were comfortable providing true sale and non-consolidation opinions for the transaction. We spoke with Mary Man in Accounting Policy and John Little in Product Control, and they, in collaboration with PricewaterhouseCoopers are comfortable that the transaction meets true sale and non-consolidation conditions from an accounting perspective. Finally, we spoke with outside counsel, Wilmer Cutler, about potential issues related to the Investment Advisor Act. They are of the opinion that our role as Liquidation Agent does not cause us to be deemed an Investment Advisor based on an exception to the Advisers Act for a "limited grant of discretion". For a more detailed account of Goldman's role as Liquidation Agent and...
related discussions with legal and accounting counterparts please see section III, "The Liquidation Agent: Goldman".

So long as Goldman holds no more than half of the expected losses in the transaction, accounting is comfortable that Goldman will not have to consolidate the CDO on balance sheet. We will hold no more than half of this risk in this transaction at closing.

We expect at least 30% of the portfolio upon closing will have been acquired from our various structured product trading desks in both cash and synthetic form.

We are currently discussing preliminary debt and equity commitments with third party investors on this transaction and we will be conducting a debt and equity roadshow with investors in December 2006 in Europe and Asia.

For the subordinate triple-A, double-A debt and single-A, we expect to offer it to the market through our syndicate. The double-A and single-A debt from our most recent high grade structured product CDOs was oversubscribed. For single-A and triple-B debt, we will be pursuing early commitments from investors in exchange for more customized debt tranches and/or commitment fees, similar to Houli Bay I.

II. Transaction Overview

A Cayman Islands limited liability company (the "issuer") will be established which will purchase the warehoused portfolio at closing and will issue the following notes and equity:

<table>
<thead>
<tr>
<th>Class</th>
<th>Balance</th>
<th>% of Capital Structure</th>
<th>Expected Ratings (Moody's/S&amp;P)</th>
<th>Expected Spread</th>
<th>Expected Average Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A-1 Notes</td>
<td>$650.0 MM</td>
<td>35.7%</td>
<td>Aaa/AAA</td>
<td>L+26bp</td>
<td>6.5yr</td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>40.0 MM</td>
<td>4.0%</td>
<td>Aaa/AAA</td>
<td>L+46bp</td>
<td>6.0yr</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>50.0 MM</td>
<td>5.0%</td>
<td>Aa3/AA</td>
<td>L+56bp</td>
<td>6.2yr</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>26.0 MM</td>
<td>2.6%</td>
<td>A2/BBB</td>
<td>L+15bp</td>
<td>6.4yr</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>20.0 MM</td>
<td>2.0%</td>
<td>Ba2/BBB</td>
<td>L+35bp</td>
<td>6.8yr</td>
</tr>
<tr>
<td>Class E Shares</td>
<td>14.0 MM</td>
<td>1.4%</td>
<td>NR</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Portfolio</td>
<td>$1,000.0 MM</td>
<td>100.0%</td>
<td>Avg. Aa3</td>
<td>L+41bp</td>
<td>6.2yr</td>
</tr>
</tbody>
</table>

The transaction will have a legal maturity of 35 years. However, the expected average life of the notes will be approximately 6 years respectively. The CDO equity will also have the option to call the transaction after 3 years.

Studying, placement and Liquidation Agent fees to Goldman will be approximately $5 MM ($2.5 MM upfront plus 0.14% of the CDO's portfolio balance per annum, in return for fees and 7% of the net warehouse carry (7% of the net carry will be approx. $1.2 MM), Goldman will take half of the warehouse risk on the first $20MM of losses. Goldman will take all of the warehouse risk above $20MM in losses, and Goldman will place the Class A, B, C and D Notes on a "best effort" basis. While Goldman has pre-committed to purchase half of the equity, we have agreed to reduce their allocation pro-rata vs. Goldman with third party equity rates.

Collateral Description

1. 100% of the Houli Bay II portfolio will be identified at closing. There will be no discretionary trading of the portfolio and Goldman's role as Liquidation Agent will be to liquidate assets determined to be

- Returned by the Permanent Subcommittee on Investigations

Confidential Treatment Requested by Goldman Sachs

GS MBIS-E-013458156
credit risk assets (such determination will be made by the trustee pursuant to the Indenture). The
liquidation proceeds from any credit risk sales will be used to pay down the CDO notes.

- 16% of the portfolio will be rated Aaa by Moody's or AAA by S&P. 50% of the portfolio will be rated at
  least A3 by Moody's or AA- S&P. 100% of the portfolio will be rated at least A3 by Moody's or A-by
  S&P.
- The Hou Bay II portfolio is expected to be approximately 10% subprime RMBS, 10% prime RMBS,
  10% Commercial Real Estate CDOs, 5% Structured Products CDOs, 10% CLOs, and 5% ABS.
  Approximately 20-40% of the portfolio will be single-name synthetic exposures that will be
  collateralized with triple-A credit card or money market notes.

III. The Liquidation Agent: Goldman

Goldman will be engaged by the CDO at closing as the Liquidation Agent (same as Hou Bay I role). As
Liquidation Agent, Goldman will be responsible with selling any asset that is determined to be a "Credit
Risk Asset." Whether an asset is a Credit Risk Asset will be solely determined by the trustee to the CDO
based on specific rules (see Credit Risk Rules below). Once an asset is determined to be a Credit Risk
Asset, Goldman is responsible with liquidating that asset within 12 months of such determination and any
liquidation proceeds will be remitted to the CDO bond holders according to the cashflow waterfall. The
liquidation price of any Credit Risk Asset must be in the context of "Market Value" as determined by a
three bid process. For acting as Liquidation Agent, Goldman will receive an ongoing fee equal to 40% of
the total portfolio per balance.

Credit Risk Assets:
- Any asset that is downgraded by Moody's or S&P below B2
- Any asset that is defaulted

Traditionally, structured product CDO's have engaged Collateral Managers to trade and sell assets in the
CDO portfolio. Any decisions to trade or sell an asset are made solely by the Collateral Manager, but
such decisions are constrained by various covenants of the CDO (e.g., maximum trading limitations of
15% per annum, generic rules for credit improved or credit impaired sales). For a static high grade
structured product CDO, Collateral Managers typically receive an 8-10bp ongoing collateral management
fee. However, for high grade portfolios (double-A avg. credit quality), there is substantially less credit
risk in the assets vs. a mezzanine structured product CDO portfolio (Triple-B avg. credit quality). Also, the
static nature of the portfolio eliminates reinvestment risk in the CDO portfolio while substantially leaving
the ability of Collateral Manager to add value through ongoing surveillance of the portfolio. Given the
limited role of such a Collateral Manager in this case, Goldman and Goldman have agreed to eliminate
the Collateral Manager role in this transaction and instead, we will create the role of Liquidation Agent
where Goldman will receive part of the ongoing fees that would otherwise be paid to a Collateral
Manager. Also, since the all-in fees are less than a CDO which engages a Collateral Manager, the equity
payment may be higher when compared to a similar transaction with a higher fee structure if we assume that
expected portfolio losses will be comparable (we assume losses will be 0.2% or less).

We have discussed Goldmans role as Liquidation Agent internally with Tim Saucers and externally with
outside counsel, Wilmer Cutler. One concern about that role was whether Goldman would be viewed as
an Investment Advisor. We specifically crafted Goldmans role in Hou Bay I and in this case to eliminate
both internal and external counsels concern about Goldman being viewed as an Investment Advisor. The
main factors that made Tim Saucers and Wilmer Cutler comfortable that Goldman will not be treated as
an Investment Advisor were:
- Goldmans role is Liquidation Agent and not Collateral Manager: Goldman is engaged by the CDO to
  liquidate Credit Risk Assets and will receive an ongoing Liquidation Agent Fee for such services;
- Goldman does not determine whether an asset is a Credit Risk Asset. Such determination is made by
  the CDO based on specific rules (LaSalle will provide reporting on a monthly basis that shows whether
  an asset has become a Credit Risk Asset);
- Goldman must liquidate such Credit Risk Assets within 12 months of such determination and the price
  received on such liquidation must be in the context of a three-bid process;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-01345815
Goldman does not receive any additional compensation and or control of the CDO for acting as Liquidation Agent.

We have discussed Goldman's role as Liquidation Agent in host Bay with internal accounting, Matt Schmidt, Mary Marr and John Little. One concern about this transaction was whether Goldman will receive a true sale of warehoused assets to the CDO once the transaction closes. Accounting was specifically concerned that the CDO's inability to trade / re hypothecate the underlying assets may cause problems based on FASB 140 rules. They argued that a CDO's independence needs to be demonstrated by either (a) being a QSPE or (b) ability to re hypothecate the underlying portfolio. Otherwise, the sale of our warehoused assets to the CDO may not receive true sale. We have agreed with accounting that we will structure the CDO such that the investors in the CDO will have the ability to perform a benefit on any asset in the portfolio. In addition, investors will also have the ability to trade any asset in the portfolio. (Note: Interchange of collateral on any asset in the portfolio can be done as long as the exchange is at market, the cost of such exchange is covered by such investors, and the exchange will not violate the covenants of the CDO. On host Bay 2008-1, we work together with accounting and agreed on parameters for the BIE option. By structuring the BIE option into the CDO, accounting was comfortable that Goldman will receive a true sale.

We will build a provision into the deal documents to allow Goldman to resign as Liquidation Agent if appropriate notice is given and a replacement Liquidation Agent is in place.

IV. The Co-Placement Agent

Confidential Treatment Requested by Goldman Sachs
V. Underscoring Commitments:

Goldman Sachs will act as sole placement agent of the Class A, B, C and D Notes, and up to 50% of the Class E Shares, and will be working on a “best efforts” basis on all of the debt is pre-committed to 50% of the equity, but third party equity sales can reduce Goldman and equity retention proviso.

The primary demand for mezzanine notes / equity in those types of transactions come from other structurally invested vehicles and CDOs of CDOs, Asset Investment funds, high net worth individuals, and CDO equity funds. These various accounts continue to express interest in gaining a leveraged exposure to the U.S. High grade structured product market. The static high grade structured product CDO allows them to gain this exposure on a diversified basis without having to pay the significantly higher management fees associated with managed CDO transactions.

Goldman’s current portfolio of CDO and CLO equity held within the CDO group is detailed in Appendix B.

VI. Portfolio Ramp-Up and Equity Marketing

Goldman will assume half of the first loss risk (first $20MM of risk) and all of the second loss risk (losses in excess of $20MM) in the warehouse in the event the CDO fails to close. Goldman will be taking the other half of the first loss risk in the warehouse will deposit into the warehouse account upon opening of the warehouse.

Additionally, we will continue to pursue early equity and mezzanine debt commitments from additional investors to reduce the risk of a failed closing. Appendix A details our current warehouse exposures across the CDO group.

The general terms of the portfolio ramp-up are as follows:

- GS selects assets for purchase; Invests has the right to veto certain assets purchased;
- GS has unilateral right to liquidate an asset or the warehouse;
- All assets are sold forward to the CDO at time of purchase and the forward price covers any hedge or trading positions on assets during the warehouse phase;
- 70% of positive carry will be paid to GS (positive carry is equal to any net income in excess of Goldman’s cost of financing during the warehousing period). Net carry is expected to be approximately $1.75 MM which will be shared 70/30 between Goldman and Investee;
- Position sizes will be limited to $30 MM for assets rated triple-A, $20 MM for double-A, and $15 MM for single-A;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-013458159
VI. Expected Fees

Goldman will earn a structuring, placement and Liquidation Agent fee equal to 0.25% times the per balance of the collateral portfolio at closing plus 0.04% per annum times the per balance of the collateral portfolio. We expect a $1.0 billion transaction and the fees, in that case, would be $2.5 MM plus 0.04% per annum of the per balance of the collateral. Additionally, Goldman expects to earn profits by selling assets into the CDO and from Goldman’s share of warehouse net carry (which is estimated to be $1.2 MM).

Separately, Goldman will earn a co-placement fee equal to 0.25% of the per balance of the collateral portfolio at closing.

VIII. Reasons to Pursue

We are pursuing this transaction for the following reasons:

1. The respective trading desks are posted on each asset offered into the CDO from the Street. In addition, we expect that 30% of the portfolio by closing will come from Goldman’s offerings.
2. Although we will be marketing a $1.0 billion Hou Bay II transaction, Goldman can price the transaction earlier with a lower balance if we are concerned about future market conditions or we can upside the transaction if there are reasons to merit that action.
3. We will be offering the equity to third party investors with an expected return of approx. 15%.
4. Goldman is taking a portion of the warehouse risk. Goldman is committed to 50% of the equity, Goldman has a “best efforts” underwriting commitment on the debt and remaining equity, and Goldman’s fees are 0.25% up front ($2.5 MM on a $1.0 billion deal) plus 0.04% per annum of the CDO’s portfolio balance plus approx. $1.0 MM in net warehouse carry.

IX. Strengths / Issues to Consider

Strengths

- Pre-arranged Equity: Goldman has pre-committed to purchase half of the equity.
- Sponsorship Opportunity: Goldman will sponsor the CDO through their warehouse risk sharing and equity commitment. In addition, the Hou Bay II mandate and the Hou Bay I equity purchase, Goldman has invested in or plans to invest in other SP CDO and CLO transactions underwritten by Goldman.

Issues to Consider

- Warehouse: Goldman Sachs will be exposed to half of the first $250MM of any net losses and all of the risk above $250MM if the deal fails to close. Goldman is depositing capital when the warehouse opens to cover their entire net exposure in the warehouse.
Footnote Exhibits - Page 5250

* "Best Efforts" Underwriting Obligation: Goldman Sachs will make a "best efforts" obligation to distribute all of the Class A, B, C and D Notes.

** Recommendation **

Goldman Sachs will be involved in ramping and warehousing the portfolio for the transaction, structuring the transaction, placing the notes and the equity of the CDO, and in return will earn a $2.5 MM fee at closing, an ongoing fee of 0.64% per annum of the CDO's portfolio balance and approximately $1.9 MM in not carry in the warehouse. Goldman Sachs has committed to half of the equity in the transaction, to 50% of the first $200MM in warehouse losses in the event the CDO does not close, will collaborate with Goldman to ramp the portfolio for the CDO prior to closing, and will be an ongoing surveillance agent after the CDO closes.

In light of the above, we request that the Capital Committee approve our proposal to enter into a "best efforts" underwriting of the CDO debt and commitment to 50% of the equity and to move forward with the warehouse risk sharing arrangement with Investco.

** Appendix A: Current CDO Warehouses **

<table>
<thead>
<tr>
<th>Deal Name</th>
<th>Size / Current Warehouse</th>
<th>Collateral Description</th>
<th>GB Warehouse Risk</th>
<th>Expected Home</th>
<th>Assets, Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hulco</td>
<td>$1.5 Billion / $777.4 MM</td>
<td>AAGA63 - RMBS, CMBS, AAR, ACO</td>
<td>1st Loss = 10% up to $15 MM 1st Loss - 10% above $15 MM</td>
<td>Sep-06</td>
<td>$5,000</td>
</tr>
<tr>
<td>Highland</td>
<td>$500 Million / $110 MM</td>
<td>AAGA63 - RMBS, CMBS, AAR, ACO</td>
<td>1st Loss = 10% up to $20 MM 1st Loss - 10% above $20 MM</td>
<td>Oct-06</td>
<td>$10,000</td>
</tr>
<tr>
<td>OCS High Grade (OCS Partners)</td>
<td>$1.5 Billion / $47 Billion</td>
<td>AAGA63 - RMBS, CMBS, AAR, ACO</td>
<td>1st Loss = 10% on fixed rate bonds 2nd Loss = 10% above $20 MM bonds on paring with collateral</td>
<td>Apr-06</td>
<td>$15,000</td>
</tr>
<tr>
<td>Clear Square VII</td>
<td>$2.0 Billion / $1.59 Billion</td>
<td>AAGA63 - RMBS, CMBS, AAR, ACO</td>
<td>100% to GS on first $500MM in ramped assets</td>
<td>Jul-06</td>
<td>$25,000</td>
</tr>
<tr>
<td>Arctic III</td>
<td>$3 Billion / $1.85 Billion</td>
<td>AAGA63 - RMBS, CMBS, AAR, ACO</td>
<td>1st Loss = 10% up to $50 MM 2nd Loss = 10% above $50 MM</td>
<td>Aug-06</td>
<td>$30,000</td>
</tr>
<tr>
<td>West Coast</td>
<td>$2.7 Billion / $2.27 Billion</td>
<td>AAGA63 - RMBS, CMBS, AAR, ACO</td>
<td>100% to GS 1st $200MM of losses 2nd Loss - 10% above $200MM</td>
<td>Jun-06</td>
<td>$35,000</td>
</tr>
<tr>
<td>$2.0 Billion / $178 Million</td>
<td>AAGA63 - RMBS, CMBS, AAR, ACO</td>
<td>1st $300MM of losses - 20% 2nd Loss - 10% to GS</td>
<td>Dec-06</td>
<td>$40,000</td>
<td></td>
</tr>
<tr>
<td>$1 Billion/10</td>
<td>$1 Billion / $98 Million</td>
<td>AAGA63 - RMBS, CMBS, AAR, ACO</td>
<td>1st Loss = 10% up to $20 MM 2nd Loss = 10% above $20 MM</td>
<td>Jan-07</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs
<table>
<thead>
<tr>
<th>Deal Name</th>
<th>Size / Current Warehouse</th>
<th>Collateral Description</th>
<th>GS Warehouse Risk</th>
<th>Cost of Financing</th>
<th>Expected Pricing</th>
<th>Appro. Face</th>
</tr>
</thead>
<tbody>
<tr>
<td>$400 MM / $281 MM</td>
<td>95% Loans, 15% Bonds</td>
<td>Fixed</td>
<td>L = 75 bps</td>
<td>Priced</td>
<td>Jun 24</td>
<td>75.0 MM</td>
</tr>
<tr>
<td>$475 MM / $186 MM</td>
<td>95% Loans, 15% Bonds</td>
<td>Fed + 37.5 bps</td>
<td>L = 75 bps</td>
<td>Priced</td>
<td>July 2006</td>
<td>75.0 MM</td>
</tr>
<tr>
<td>$500 MM / $200 MM</td>
<td>100% Loans</td>
<td>100% to GS</td>
<td>L = 75 bps</td>
<td>Priced</td>
<td>July 2008</td>
<td>80.5 MM</td>
</tr>
<tr>
<td>$500 MM / $210 MM</td>
<td>95% Loans, 15% Bonds</td>
<td>Fed + 37.5 bps</td>
<td>L = 75 bps</td>
<td>Priced</td>
<td>Sep 2006</td>
<td>80.0 MM</td>
</tr>
<tr>
<td>$400 MM / $130 MM</td>
<td>100% Loans</td>
<td>100% to GS</td>
<td>L = 75 bps</td>
<td>Priced</td>
<td>Apr 2006</td>
<td>75.0 MM</td>
</tr>
<tr>
<td>$400 MM / $90 MM</td>
<td>95% Loans, 15% Bonds</td>
<td>50% to GSAM</td>
<td>L = 75 bps</td>
<td>Priced</td>
<td>Apr 2006</td>
<td>75.0 MM</td>
</tr>
<tr>
<td>$400 MM / $80 MM</td>
<td>100% Loans</td>
<td>50% to GS</td>
<td>L = 75 bps</td>
<td>Priced</td>
<td>Apr 2006</td>
<td>75.0 MM</td>
</tr>
</tbody>
</table>
Footnote Exhibits - Page 5253

From: Case, Benjamin
Sent: Monday, July 23, 2007 9:12 PM
To: Bieber, Matthew G.
Cc: CDO Liquidation Agent Role - Draft Talking Points - INTERNAL USE ONLY

INTERNAL USE ONLY

CDO Liquidation Agent Role - Talking Points

Liquidation Agent (Propose)
- our goal as Liquidation Agent is to attempt to maximize proceeds on the unwind of credit risk assets pursuant to the
- Liquidation process governed by the CDO documents, rather than to liquidate at an arbitrary pre-specified time without
- regard to market conditions
- our goal is to unwind the CDO at the time that maximizes value, whether that be through a sale or a more aggressive
- approach to the market (e.g., auctions)
- the rating agencies were concerned may be the
- worst time to liquidate due to increased market liquidity
- although we are required to ask for unwind levels from three independent dealers, our intention is to go out to more than
- three dealers in order to increase possible number of bidders to to try and get the best level available in the market
- Liquidation Agent role is run by GS CDO team (independent from the ABS trading desk, with access to
- full resources and market color from ABS trading desk, Mortgage Strategies, and external resources (including credit
- from third party CDO collateral managers)

Fundamentals
- current credit performance data on the six Credit Risk Obligations between Hudson Mezz 1, Hudson Mezz 2, and
- Anderson:

<table>
<thead>
<tr>
<th>Name</th>
<th>Current Face</th>
<th>Moody's</th>
<th>S&amp;P</th>
<th>Current Credit</th>
<th>Foreclosure Support</th>
<th>90+ Delinquency</th>
<th>60+ Delinquency</th>
<th>30+ C Delinquency</th>
<th>REO</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIMLT 2006-1 MB</td>
<td>15,000,000</td>
<td>B1</td>
<td></td>
<td>5.91</td>
<td>14.98</td>
<td>18.83</td>
<td>23.13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSAC 2006-WMC2 B3</td>
<td>15,000,000</td>
<td>B3</td>
<td></td>
<td>3.07</td>
<td>11.76</td>
<td>14.34</td>
<td>16.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCMIT 2006-2 MB</td>
<td>15,000,000</td>
<td>B1</td>
<td></td>
<td>3.72</td>
<td>10.43</td>
<td>15.04</td>
<td>19.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAIL, 2006-4 MB</td>
<td>15,000,000</td>
<td>B1</td>
<td></td>
<td>3.55</td>
<td>11.48</td>
<td>14.96</td>
<td>17.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAIL, 2006-4 MB</td>
<td>15,000,000</td>
<td>CCC</td>
<td></td>
<td>2.26</td>
<td>11.48</td>
<td>14.99</td>
<td>17.21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Technical:
- current indicative unwind levels on the six Credit Risk Obligations range from 75-80 points up/down for:
- recent flows in these types of names have been driven by hedge funds covering shorts, with dealers willing to take
- the other side (given length of IO remaining and out-of-the-money option value)
- no significant new initiation of trades on these names (in either direction) - hedge funds have preferred to initiate new
- trades on the capital structure and on cleaner names - trades with more upside to short sides of trade

Current strategy - wind up and continue to evaluate market conditions, rather than liquidating now:
- upside is that continued short-covering by hedge funds anxious to monetize profit could cause minor rally (5-10 points)
- downside is that a speed up of foreclosure process vs. current timeline expected by market could decrease IO value, or
- significant forced selling of similar names by CDO vehicles could push levels wider

Confidential Treatment Requested by Goldman

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2571

GS MBS-E-015240358
Lira, like always we appreciate the focus glad Mike is being patient with his need for a response. Absolutely happy to get on this call tomorrow. Want to make certain if we go down this route (which will be fairly long), Mike has approval to execute given the synthetic nature of the collateral.

We can discuss with Mike tomorrow if that works and get a better feel for his ability to participate tomorrow, my schedule is calls at 6, 9, 1, 3 and 3:30 and can get on the call at a time other than that. Thank you.

Original Message:

From: Lee, Lisa
Sent: Thursday, October 12, 2006 6:06 PM
To: Henrik, Darryl; Shmonov, Roman; Mishra, Deva R.
Cc: Fraser, Bridget; Ma, Olivia; Malcom; R; Wissenbaker, Scott; Ostrem, Peter L;
Recktenwald, Sara
Subject: RABO Bank on Hudson - please read - IMPORTANT

Importance: High

Just had a really good heart-to-heart with Michael Mallevi, who was very understanding of our inability to provide him with a written response thus far to his questions below. Rather than focusing on buying a ten-year GS is not focused on selling. Mallevi wanted to know what part of the capital structure of GS is going to be focused on because he didn’t want to go through the process.

But the line:

We will focus on getting approvals to buy a chunk of Class B (AA/A rated) tranches as his conduit can buy down to single A rated notes but he was uncomfortable focusing on Class Ce since this was synthetic underlying which would be difficult for him to get approvals on single A on the first go around.

Next step:

He has made himself available for a call any time tomorrow. I need to email him with availability for Darryl or someone on his team to answer his below questions verbally so he can get business committee approval process in place to potentially buy the asset. Please come back to me ASAP with a firm time for us to give him a call tomorrow. Once this call is in place, he will try submit for business committee approval, and if it proves, he will need to have another due diligence call with his credit committee.

Darryl - ideally we would like you to be on the call since you already know Mike Mallevi well. Can you please get back to me ASAP with available time slots for us to have a call with him tomorrow? Thanks.

Original Message:

From: Mallevi, Michael [mailto:Michael.Mallevi@rabobank.com]
Sent: Friday, October 6, 2006 5:43 PM
To: Ma, Olivia
Cc: Lee, Lisa; Fraser, Bridget; Bezdan; Jeff; O’Keefe, Mark; Asadi, Ek
Subject: RABO Bank on Hudson Funding 2006-1

Olivia,
Footnote Exhibits - Page 5260

Before we can determine whether the A2 note is a suitable investment for Nieuw Amsterdam, it would be helpful if your structuring team could provide answers to the following 'big picture' questions.

A) It is understood that Goldman Sachs will act as liquidation agent and, as such, is required to liquidate any asset that is downgraded below Ba3 or BBB-. What's the likelihood of seeing more than one default a year? It seems as if we'd have to assess the historical default ratings at this level. We were asked to assess the adequacy of loss/default coverage. Do you have a 'worst case scenario' of how much subordination can be lost from a deteriorating, but non-defaulted note tranche? Further, why is Goldman afforded up to 12 months to sell a credit risk asset?

B) How is the 'tail' risk on the A2 note mitigated as all subordinate notes may be paid down prior to our note?

C) Explain how 'credit risk' trading occurs for an index. The P&L structure for single-name CDS is understood.

Enjoy the holiday weekend.

Regards,
Michael Halevi
Kochbank International
245 Park Avenue
New York, NY 1017
Ph: 212 836 6862
Fax: 212 859 9120

-----Original Message-----
From: Ma, Olivia [mailto:Olivia.Ma@gs.com]
Sent: Thursday, October 05, 2006 1:30 PM
To: Amadi, Ek (Erik); Halevi, M (Michael); O'Neefe, M (Mark)
Cc: Lee, Lisa; Fraser, Bridget
Subject: GS: Hudson Maximine Funding, 2006-1 Ltd. -- New Issue Announcement (144a/RegS) (external) [T-Mail]

Hudson Maximine Funding, 2006-1 Ltd. -- New Issue Announcement (144a/RegS) (external)
Lead Manager & Sole Bookrunner: Goldman Sachs Liquidation Agent: Goldman Sachs & Co.
$2.0bn Toxic Maximine Structured Product CDO

Class Size($) Nominal Maturity (y) Initial OC Guidance
S 1 1.00 60.0% Aaa/AAA (2.0) N/A N/A
A 150 7.5% Aaa/AAA (2.0) 133.78 1ML+TSD
AA 150 7.5% Aaa/AAA (4.0) 133.78 1ML+TSD
B 160 0.0% Aa2/AA (5.1) 120.58 1ML+TSD
C 150 3.0% Aa3/AA (5.1) 112.69 1ML+TSD
D 150 7.5% Baa/BB (5.1) 104.78 1ML+TSD
E 30 1.5% Bb/BB+ (3.2) 101.18 1ML+TSD
FS 60 3.0% Not Rated N/A N/A **CALL DESK**

Term Sheet: Debt Marketing Book & Warehouse Posting <hudson maxx debt book announcement.pdf> 1 <hudson maxx term sheet announcement.pdf> 1 <hudson maxx funding 2006-1 xo asset portfolio.xls> o - Attached

Expected Timing:
Price Guidance 4 Bed - w/o Oct 16
Pricing - w/o Oct 23
GS Structured Products Global Syndicate
Asia: Omer Chaudhary, Jay Lee, & Hirotaka Puglisa +61 (3) 6437-7196

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5262

From: Kalaver, Naina
Sent: Monday, October 15, 2007 2:06 PM
To: Lee, Lisa; Fraser, Bridget; Case, Benjamin; Shimonov, Roman
Subject: NAB/Hudson Mezz Update 2

Conference Call - round 2, Hudson Mezz
Ben Case
Naina Kalaver

NAB: How will the most recent downgrades affect the position?
Ben: About 27%-28% is now at credit risk obligation overall a total 42% of the portfolio affected by ratings actions. The majority names that look the worst have been downgraded except a handful of All A (moody said this would be their next focus). The timing of the agency action is always uncertain, but otherwise this is not a huge surprise - actually surprising that market has traded off on higher ratings rather than BBB.

Management update:
Starting to talk about transferring liquidation rights to 3rd party experienced ABS CDO collateral manager.
Think it will be in best interest of investors - The credit obligation term was originally written in with expectations that it was unlikely to happen.
liquidity has dried up so market priced in before rating change, so automatic sale feature was not able to get these assets out before market priced in the decline.

Good for deal for several reasons:
1. Large institutional asset managers will be able to access more liquid but they can access other broker dealers and get good pricing.
2. even keeping the deal as is, the decision of when in the 12 month period to liquidate could be better handled by an experienced manager.
3. Potential amendment could be made to benefit the deal by giving more flexibility to agent.

NAB - what is the cost of this?
Ben: - they get transferred over the fees. No increase in fees - if an increase was needed, this would influence our decision about how to proceed.
NAB: - will they be able trade into new names?
Ben: - unlikely to amend the deal to add new names, but may be able to make an amendment to give them greater discretion to add value to the deal and to loosen other restrictions. If the 12 month mandatory sale requirement discretion to add value to the deal and to loosen other restric.
NAB: - do we have a choice, as an investor, on this decision. Do we have a say in the choice of the manager?
Ben: - not yet able to speak about specific names.
NAB: - What role would GS have? We don’t want to see GS disappear from transaction.
Ben: - the liquidation agent duties would be assigned - we would not have discretion in the process. GS is involved on ongoing basis in terms of working with manager and trustee to make sure it is being administered properly, structural advice, strategic advice - to at least the same level as with any other GS structured CDO.

NAB seems to doubt the idea that GS would not be able to get as good bids/offers as a 3rd party would.

Ben: - brokers will prefer to deal with clients and give them much more consideration than they would another broker.

NAB: - what % of portfolio is being priced as IO?
Ben: - generally they are at least pay interest.
NAB: - Could all investors come together and come up with a repackaging plan?
Ben: - All options that would be considered. Not clear way to restructure that would benefit equally all investors - too tough to get unanimous consent.

NAB: What is the recovery on sale today - weighed avg price of 28% in credit risk?
Ben: 00-30 has up front - average recovery will be 15%

NAB: - GS holds equity piece, have you written that off completely?
Ben: Looks unlikely that equity would ever receive another payment.
Footnote Exhibits - Page 5263

NAB II told off all 28% of credit risk would that break our branch
Ben - Your branch is at around 28.9% - this sale would probably result in 23% loss and the AIB that is not in credit risk yet also assumes 15% recovery, but there is a bigger cushion (15% of excess spread) against due to credit risk provision - this branch is probably right on the cusp

NAB - what are other investors saying?
Ben - Variety of sentiment - pessimistic, as well and see, nothing too different than what NAB is saying. Limited feedback on transfer of their liquidation agent has been positive
NAB - GIS view of the risk (remaining 28% of portfolio)
Ben - I'll continue to see home loan declines, these could decline in value. If home prices recover - we may see a better scenario

Next step - let them know what happens with the liquidity agent change. They are most interested in removing the 12 month forced liquidation term.

From: Kieran, Niall
Sent: Wednesday, October 13, 2009 1:42 PM
To: Kieran, Niall

Subject: Re: NAB

NAB - please review

CB: Ben Case, Roman Shlykov, Bridget Fraser, Niall Kelleher

This is the structure the giving them the most trouble, interested in whether it will be restructure, last spoke in July, Sandy OC last continues to fall. None of the underlying securities have experienced amortization - locked out for 3 yrs from origination on each security

Based on the definition credit risk obligation in the doc (7% asset 5% of portfolio been downgraded below BBB)
CB as liquidation would have to sell within 12 months of the down grade to credit risk obligation status

NAB - are you currently waiting to see when to sell? When do you think will be good time to sell these assets?
CB - Monitoring market conditions and the assets - current distressed nature of the assets has been fully priced in and has not moved over the past 2 months - if unwind those 5s it would be at 80-80 points, that is 5% to be paid up front to unwind swap - equities of 80 cents to dollar in cash bond terms

Across online universe of tools already in play - below generally seen 50-60-70% recovery rates. Rates are not coming back quickly enough to make the market optimistic that bonds will come back to recover principles and on the second piece of the pricing, the option value of return of principles - meta pricing that option at away out of money.

NAB 50-70% recovery is after fees?
CB Yes, it is ultimate recovery net of service fees and costs

NAB - it is tough or does it create a conflict for GB to try to get info from the servicer since this is a synthetic?
CB: We have cash in for many of these - a lot is released publicly - we use databases like loan performance, or general averages across similar loan portfolios. It is harder to get specific bond and underwrite info. The aggregate stats show even better outlook - that we are expecting

NAB What is the right time to liquidate the assets? F
CB - We are focused on fundamentals and market techniques. Loss of hedgerounds have shorts on these names - the names the meta is pricing as most distressed were driven dramatically lower even before ratings down grade - mainly by repeated shorting and protection buying from HF.

Our view that these are unable in waiting self evaluating prices and p/e ratios - even lower - overall momentum changes a rally up shorts get nervous at price levels to liquidate.

Downside of waiting - if foreclosure timelines shorten across country and IC losses value - media and gov't regulation seems to be pushing to slow the foreclosure process, which shakes away from this downside risk

MM underlying secds locked out for 3 yrs - possibility to amend deal to extend the liquidation period

Confidential Treatment Requested by Goldman Sachs

GS BSS-E-015736974
Footnote Exhibits - Page 5264

BC - Talked briefly. If we thought we could get investor consent would be a good option - would need somewhere between majority (15-20 investors) of each class (41 investor and unanimous depending on how material the change is judged to be.

• does GS hold any of this
  Yes - del own equity and different pieces of various tranches no sure exactly, but decent size and number of classes on our books

• no physical settlement if a default event?
  No written down or default is a very unlikely to have physical settlement - prob cash

• could we expect to have impairment
  Don't have current mark - but looking at fundamentals high degree of uncertainty about whether commercial will be paid off in full - hard to say range of scenarios

• is significant risk premium priced into b/c of liquiditiy - what is the risk we are facing by holding off vs liquidation
  BC - hard to say b/c market conditions are uncertain - different types of -- overall large amount of current and future sellers of risk and not a lot of buyers - so this influence current mark to market

Range of reasonable assumptions - a number of scenarios and outcomes

• what is surveillance/monitoring process - have loss pools?
  BC - liquidation agent duties are run by COO team, Ben and Roman et al - work with mortgage dept to get best resources to fulfill duties - holding deal to understand techniques of the markets, mortgage research and strat groups focused on funds and proper analysis of mortgage credits including BBB names like these, other inputs with input.
  Group - loan origination and servicers for color

• have you applied your loss curves to this portfolio - exiting liquidation aside
  BC - don't have one base case loss curve for each pool - much more complex given number of moving parts and number of drivers of loss curves

• what if we wanted to break the analysis based on specific HPAs? What would break the deal in terms of HPA?
  BC - dispersion of home price appreciation vs average HPA makes

• can you set up my major city/location and use blanket for near?
  BC - we don't apply standardized HPA across multiple assets - our analysis goes down to individual loan level and looks at different scenarios

• timing - when would we know if we would experience write down of principal
  BC - when the assets get to the point that the assets that are going to be written down are, and the one going to return prin have - have gone through waterfall - will see how it affects your payments - given the 3 yr lock, this would take at least 4 years CR - in a worst case assets going through foreclosure could result in earlier write downs - event of default - shortfall of interest to AAA and AA - could come signif earlier than the return of principal would affect a write down

How would shortfall of interest occur?
Would happen if actual write down of cash hold/less assets - administrated by services - losing rate payment on CDs due to write down and prot seller to make payment to prot buyer

If keep failing - the cash will be diverted to seniors and there will not be cash for rest of
Write downs will only be triggered by

Next steps - monitoring? Or others?
BC - actively monitor the performance of assets and market conditions/potential for liquidation
Potential amendment to max liquidation pd or other beneficial structural change - looking for these as well, but nothing that is imminent now - not a lot of great options yet. Actively seeking possible structural changes

• watchlist of potential risky assets?
  Watch headline numbers Roll rate of loans from current 30 day dell 30-60 60-90 and how many go into foreclosures
and what recovery is, prepayment
Harder to predict rating agency downgrade decisions

- so basically a 50% chance of impairment to our cash?
BC- that is hard to pin down but that does not sound unreasonable

- If impairment do you think it will be all or nothing or somewhere inbetween?
- BC- the impact possible for some but not total impairment

- At what point do you try to get votes for an amendment?
Are considering that- would something we would want to do as soon as we believe we can gather critical mass

- is it possible to take a poll of the investors and regroup
We are trying to do that and we will reach back out to you when we have info

Minor vs material amendment - how long would that determination take?
That is in deal counsels hands, relatively quick
- This has to be paid out of the waterfall
- Yes- but that should not impact whether or not to do amendment - not a material amount

- What about rating agencies - how would they view the amendment?
BC- They would have to consent but are likely to do so based on the way they model cash flows on a CDO

- When do you think, you will be ready to discuss options?
Few weeks to talk to all investors to get sense of whether could make a change to structure

- Could you please follow up with what is GS holds?
- SO for what purpose?
Want to make sure you are making restructuring decisions for the right reasons - make sure serving the right interests

Our intended goal of liquidation agent is to serve the best interests of the CDO - that is the duty of liquidation agent -

- it is a policy and proceed

- Did GS write the super senior swap?
- BC - no we don't hold risk - did back to back swaps transferring voting rights etc

From: Power, Bridget
Sent: October 30, 2007 9:13 AM
To:立案, Benjamin; Schnure, Michael
CC: Lue, Lili; Kavanagh, Neta

Subject: substance update

Natalie Russell called in. She would like to have a follow up call (from the last one in July) at 4pm.
Hudson Mosz is the deal giving them the most trouble and they are preparing an update for Credit.

She would like to cover the following:
- Where is it now? Any updates? How is it performing?
- Are we still considering to sell the assets?
- Any good news possible if good comes through package - how will it perform in this case. They know it is tightly
- managed
- Any possible downgrades?

Please let me know if 4pm works for you.

Bridget Fraser
Vice President
Derivative Products
Fixed Income, Commodities & Cash Securities

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-015738971
Footnote Exhibits - Page 5287

From: Case, Benjamin
Sent: Friday, November 09, 2007 5:30 PM
To: Lehman, David A.
Subject: RE: What are next steps re liq agent?

Just a post. I received the transfer and amendment docs from Sidney, but at this point I'm going to wait until Monday morning to send to your for their sign-off.

-----Original Message-----
From: Lehman, David A.
Sent: Friday, November 09, 2007 4:40 PM
To: Case, Benjamin
Subject: RE: What are next steps re: liq agent?

Sounds good the

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2527 | Fax: 212-902-1691 | Mob: 917-866-3000
e-mail: david.lehman@goldman.com

----- Original Message ----- 
From: Case, Benjamin
To: Lehman, David A.
Sent: Fri Nov 09 15:11:56 2007
Subject: RE: What are next steps re: liq agent?

Sidney is working on the various documents related to both the Liquidation Agent transfer and an amendment to remove the 12-month forced sale (discussed with Siddley this morning and they said later today, so should be soon), we'll send them to him as I spoke to Siddley this morning and they said later today, so should be soon), we'll send them to him as 

----- Original Message -----
From: Lehman, David A.
Sent: Friday, November 09, 2007 3:00 PM
To: Case, Benjamin
Subject: What are next steps re: liq agent?

Confidential Treatment Requested by Goldman
February 29, 2008

Mr. Pablo Salame
Goldman Sachs & Co.
85 Broad Street
New York, NY 10004

Dear Mr. Salame:

We are writing because Goldman Sachs & Co. ("GS") has breached (and continues to breach) its contractual obligations by exercising investment discretion in connection with its role as Liquidation Agent for Hudson Mezzanine Funding 2006-1, Ltd. ("Hudson"), a synthetic CDO transaction structured and offered by GS in late 2006.1

As Liquidation Agent, GS is currently responsible for liquidating approximately $1,000,000,000 of Credit Risk Obligations. The transaction documents clearly state that GS would not exercise investment discretion in its role as Liquidation Agent. GS has not yet liquidated a single Credit Risk Obligation, notwithstanding that some data back to August 2007. The GS employee handling the liquidation has explained this by stating that he believes the price for these obligations will increase in the future and it is better for the deal to liquidate those obligations at a later date.

We believe GS has breached the terms of the Liquidation Agency Agreement and that its actions as Liquidation Agent are contrary to the disclosures contained in the OC. In addition, as a result of GS taking on the role of an "investment adviser," as defined under the Investment Advisers Act of 1940 ("Advisers Act"), the Credit Default Swap with Hudson constitutes a violation under the Advisers Act, as GS never secured informed consent to act as Credit Default Swap Counterparty while exercising investment discretion.

As a result of GS's actions, Morgan Stanley and Hudson have already suffered approximately $150 million in incremental losses, and those losses are continuing to increase. We demand that GS immediately cease exercising investment discretion regarding when to liquidate the Credit Risk Obligations and proceed to liquidate those obligations forthwith as required by the Liquidation Agency Agreement.

1 Capitalized terms used but not defined in this letter have the meanings ascribed thereto in the Offering Circular for the Hudson transaction dated December 1, 2006 (the "OC").
The Transaction

GS offered the Hudson transaction as an unmanaged synthetic ABS CDO in which Hudson, among other things, was to:

- issue approximately $800,000,000 in various Notes;
- sell credit protection to Goldman Sachs International ("GSI") under a "pay as you go" credit default swap transaction with an initial notional amount of $2,000,000,000 relating to a portfolio of 140 RMBS securities (the "Credit Default Swap", and each underlying component swap on a particular RMBS security, a "CDS Transaction"); and
- buy credit protection from GSI under another "pay as you go" swap transaction with an initial notional amount of $1,200,000,000 to fund payments that could be due under the Credit Default Swap in the event amounts available from the proceeds of the Notes pursuant to the Collateral Liquidation Procedure had been exhausted (the "Senior Swap").

The Hudson transaction closed on December 5, 2006. As of that date, Morgan Stanley Capital Services Inc. ("MSCS") purchased the Senior Swap through Goldman Sachs Capital Markets, LP ("GSCM") by entering into a swap transaction with GSCM explicitly linked and exactly mirroring the terms of the Senior Swap, under which GSCM, among other things, passed through to MSCS all rights of the Senior Swap Counterparty to act in its capacity as a member of the Controlling Class or otherwise. GS provided the OC to Morgan Stanley in connection with its marketing of the Senior Swap.

Amongst various other roles, GS was engaged by Hudson to act as Liquidation Agent pursuant to a Liquidation Agency Agreement dated December 5, 2006. Under the relevant terms of the Liquidation Agency Agreement, GS is obligated to assign, terminate or otherwise dispose of the CDS Transactions relating to Reference Obligations which become Credit Risk Obligations within twelve months after receiving notification thereof.

Exercise of Investment Discretion Prohibited

The Hudson transaction documents make it clear that GS is prohibited from providing investment advisory services or exercising investment discretion in connection with its role as Liquidation Agent. The Liquidation Agency Agreement states that "the Liquidation Agent (i) shall arrange for the assignment, termination or other disposition of Pledged Assets, by following the procedures in Section 7 hereof, but shall have no ability or authority to direct the assignment, termination or other disposition of any Pledged Asset; (ii) shall not provide investment advisory services to the Issuer or as the "Investment Manager" for the Pledged Assets and (iii) shall not have fiduciary duties to the Issuer or the Holders of the Notes." (Section 2(i) (emphasis added)).
Similarly, the OC states that "...the Liquidation Agent will not have the right, or the obligation, to exercise any discretion with respect to the method or price of any assignment, termination or disposition of a CDS Transaction that references a Reference Obligation that is a Credit Risk Obligation; the sole obligation of the Liquidation Agent will be to exercise the assignment, termination or disposition of each CDS Transaction in accordance with the terms of the Liquidation Agency Agreement." (OC p. 46 (emphasis added)). The OC reinforces this point in a section titled "No Collateral Manager" which states that "[i]f the Issuer has not engaged, and will not engage, a collateral manager to select the Pledged Assets ... to monitor the Pledged Assets ... or to consult with the Issuer with respect to the Pledged Assets, including the advisability, timing or terms of any disposition thereof. None of the Liquidation Agent or any of their [sic] affiliates will provide investment advisory services to or act as an adviser to or an agent of the Issuer or the Holders of the Notes ...". (OC p. 48 (emphasis added).)

**The Current Dispute**

During the month of October 2007, thirty-eight Reference Obligations became Credit Risk Obligations, leaving the Hudson transaction with approximately $541,000,000 original notional amount of CDS Transactions classified as Credit Risk Obligations. Reference Obligations have continued to become Credit Risk Obligations over time, including twenty-six more in January 2009. There are currently approximately $1,000,000,000 original notional amount of CDS Transactions that are Credit Risk Obligations.

Morgan Stanley learned in December 2007 that GS had appointed Ben Caso as the GS employee responsible for handling the Liquidation Agent function for GS. Since that time, our trader John Pearce has consistently requested that GS, in its role as Liquidation Agent, assign, terminate or otherwise dispose of the relevant CDS Transactions forthwith.

Mr. Caso has consistently resisted Mr. Pearce's requests, asserting that according to his analysis, the optimal time for the Hudson transaction to exit the positions had not yet come. This is clearly an exercise of investment discretion, which renders GS a collateral manager and a fiduciary, in each case a violation of the provisions of the Liquidation Agency Agreement.

As stated above, Morgan Stanley believes that GS has breached the Liquidation Agency Agreement by exercising investment discretion over the liquidation timing of the relevant CDS Transactions. Also, since the OC makes it clear that the Liquidation Agent cannot and will not be acting as a collateral manager or exercising investment discretion,

---

*While the Liquidation Agency Agreement provides that the Liquidation Agent must complete the process of liquidating the relevant assets within twelve months, it does not provide the Liquidation Agent with any right to delay the liquidation process based on the exercise of investment discretion. To the contrary, the Liquidation Agency Agreement and the OC clearly state that no discretion or investment advisory services are ever to be provided by the Liquidation Agent.*

*Mr. Caso has indicated that he is employing technical and fundamental analysis and his trading judgment as an attempt to maximize recovery for Hudson. On his most recent call with Mr. Pearce, Mr. Caso explained his refusal to liquidate the CDS Transactions at this time by saying that he believes EMBS revenue will rally as short positions are covered.*
Morgan Stanley believes the OC, upon which we relied in making our decision to enter into the Senior Swap, contains material misstatements.

Furthermore, Morgan Stanley believes Mr. Caso’s actions have resulted in GS becoming an “investment adviser” as defined under the Adviser’s Act. While GS did disclose and receive consent to act in the dual roles of Liquidation Agent and Credit Default Swap Counterparty, that consent and disclosure was predicated upon GS not acting as a collateral manager or exercising the sort of investment discretion that Mr. Caso has undertaken. Therefore, Morgan Stanley believes that the informed consent required under Section 206(3) of the Adviser’s Act for GS to act as an investment adviser and for an affiliate to act as Credit Default Swap Counterparty was never granted, making the Credit Default Swap an unlawful transaction pursuant to Section 10b.

As a result of GS’s breach of contract and violation of laws, Morgan Stanley and Hudson have suffered significant incremental losses. These incremental losses have already reached approximately $150 million and could increase substantially in the future.

Conclusion

At this time, Morgan Stanley is demanding only that GS fulfill its contractual duties as required by the Liquidation Agency Agreement and assign, terminate or otherwise dispose of the relevant CDS Transactions forthwith. However, Morgan Stanley reserves all rights and remedies arising from the various contractual breaches and violations of law by GS arising from or in connection with the Hudson transaction. We look forward to discussing this situation and how best to resolve these issues with you in the near future.

Sincerely,

[Signature]

John Faulkner
Managing Director and
General Counsel of Institutional Securities

cc: Ms. Fran Bernsand, Goldman Sachs

1 The level of investment discretion currently being exercised by Mr. Caso also raises regulatory questions, such as whether Mr. Caso is subject to GS’s compliance procedures applicable to persons acting as investment advisers, whether GS’s form ADV discloses the sort of advisory services provided to Hudson, and whether (and when) GS’s form ADV was delivered to Hudson.

2 Our calculation is based on looking at the level of the relevant ratings and rating category of ARX on the first trading day a Reference Obligation became a Credit Risk Obligation and comparing that level to the relevant ARX level on February 27, 2008. In all cases, the relevant ARX level had dropped between the two measurement dates.
Footnote Exhibits - Page 5273

From: Rosenblum, David J.
Sent: Thursday, November 29, 2007 7:50 PM
To: Case, Benjamin
Subject: RE: TCW - Liquidation Agent

tx for post

From: Case, Benjamin
Sent: Thursday, November 29, 2007 7:04 PM
To: Rosenblum, David J.
Subject: PM: TCW - Liquidation Agent

Just wanted to make you aware of this, since it might come up in your dealings with TCW — we're going to assign our Liquidation Agent duties to TCW on the 5 static ABS COOs that we issued last year (Hudson Mezz 1, Hudson Mezz 2, Hudson High Grade, Anderson, and Hour Bay), and as part of the agreement they're going to share 30% of the fees back to us. Win-win for both sides.

From: Case, Benjamin
Sent: Thursday, November 29, 2007 5:52 PM
To: Lehman, David K.; Walter, Matthew C.; Spinks, David L.; Nash-Riley, Tony; Spald; Jonathan; Swann, Michael; Saunders, Tim
Subject: TCW - Liquidation Agent

Dick Loggins and I just spoke to Lou Lucido about the Liquidation Agent opportunity and offered him the opportunity at the 2nd best economic proposal shown to us — sharing 30% of the fees back to us on a running basis ($1.0M annually in G3). Lou sounded excited, ran it by Jeffrey, and called back to say they'd like to agree on those terms, subject to sign-off by his legal (they looked at the docs during the dinner round, but he wants them to review again — he understands the docs are on an "as is" basis).
Specific questions from Doron:

Why TCW vs other liquidation agent potentials, specifically why not RABO?
What fees will TCW receive?
Can you please call me when you have a second?

Spoke to Ben Caso.
GS is soliciting consent to assign GS role as liquidation agent to TCW b/c when liquidation agent role was designed, it was very "out of the money"; now when the risk is very low, it is much more efficient to have a sophisticated collateral manager b/c:
1. TCW can access better liquidity than GS is get bids from the entire street
2. real asset manager can pursue further amendments to the doc to make liquidation more efficient b/c GS is not an asset mgr under the investment act in 1940 and cannot act investment advisory services and cant act with optimal discretion

Requires approvals of:
both rating agencies Moody’s and S&P
Simple majority (51%) of the controlling class (SS holders) and equity

He will also send the TW OM.

Dear [Name],

Goose Crawford from Robo called asking:
1. Hudson Men - whether GS was potentially seeking an amendment on indenture
   if there is an impairment on the asset, there is a forced liquidation, which may not be the best for the deal
   is GS the other 50% controlling class of the SS?

2. Also, Robo needs the indenture for TW, she has OM but missing indenture

Lee Lee
RCC Derivative Products
Fixed Income, Currencies & Commodities

GOLEMAN, SACHS & CO.
1 NY Plaza | New York, NY 10004
Voice: 212.802.4990 1 Fax: 212.346.4387
Email: llee@gs.com

Confidential Treatment Requested by Goldman

Wall Street & The Financial Crisis
Report Footnotes #3596
Case, Benjamin

From: Wednesday, December 19, 2007 4:54 PM
Bent: Hudson Mezz 2006-1 - Morgan Stanley consent
Cc: Nicole

Subject: (Assignment of LAA) Majority of Controlling Class - Notice and Request for Consent.pdf;
(Assignment of LAA) Senior Swap Counterparty - Notice and Request for Consent.pdf; MSCI
Swap - Written Direction.pdf

Nicole,

Attached please find:

- the Notice and Request for Consent forms discussing the proposed Liquidation Agent assignment, which are addressed to Goldman Sachs International (who faces the CDO)
- a direction letter related to the swap we have with Morgan Stanley, which Morgan Stanley can use to direct us if they would like to consent to the proposed assignment

Please ask Morgan Stanley to sign the direction letter and fax a signed copy to me at 212-426-1211.

If they have any questions or would like to discuss, please let me know and we’d be happy to discuss with them.

Regards,
Ben

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com/disclaimer/email-disclaimer.html for important risk disclosures, conflicts of interest and other terms and conditions relating to this e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please delete the message. See http://www.gs.com/disclaimer/email-disclaimer.html for further information on confidentiality and the risks of non-secure electronic communication. If you cannot access these links, please notify us by reply message and we will send the contents to you.
Footnote Exhibits - Page 5276

From: Martin, Nicole
Sent: Wednesday, January 16, 2008 9:35 AM
To: Lehman, David A.
Subject: FW: Tried calling with david

want me to push for today...looks like he would rather do friday as he is in london.

--- Original Message ---
From: Peace, John (FID) [mailto:John.Peace@morganstanley.com]
To: Peace, John (FID)
Cc: Lehman, David A.; DavidLehman@gs.com; Penet-Kraemer, Sue-Ann.suk@gs.com
Sent: Wed Jan 16 15:34:56 2008
Subject: RE: Tried calling with david

can't...around 10 tomorrow—friday?

--- Original Message ---
From: Peace, John (FID) [mailto:John.Peace@morganstanley.com]
To: Martin, Nicole
Subject: RE: Tried calling with david

Will be back in office tomorrow. Assume this is Hudson related.

Happy to do a call today if we need to discuss liquidation strategy. If not, we need to do it tomorrow when I'm back in NY.

--- Original Message ---
From: Peace, John (FID) [mailto:John.Peace@morganstanley.com]
To: Lehman, David A.; DavidLehman@gs.com; Penet-Kraemer, Sue-Ann.suk@gs.com
Sent: Wed Jan 16 16:45:29 2008
Subject: Tried calling with david

Understand you are in london...want to try to do a call from london tomorrow?
To:  Pearce, John (FIO)\John.pearce@georgesternley.com
Subject: RE: Updates
Sent: Wed 1/16/2008 8:42:49 PM

From: Pettis, Michael (FIO)

Redacted

Original Message:

To: Pettis, Michael (FIO)
Sent: Wednesday, January 16, 2008 1:31 PM

Subject: Updates

Redacted

GR: Had another call with their sr. trader about GS's liquidation agent role in the $1.3bb HUDSON deal. They insist they are NOT acting as a fiduciary per the docs in this deal. Will discuss further with R. Ossendrucker tomorrow.

Redacted

Confidential Treatment Requested

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #3695

HUD-CDO-00004851
To: Lehman, David A [David.Lehman@gs.com]
Cc: Martin, Nicole [Nicole.Martin@gs.com]

Subject: Hudson

Sent: Tue 2/2/2008 5:44:32 PM

From: Pearson, John [JPD]

please call when possible - $100m now eligible to be liquidated post S&P downgrade.

This is not an offer (or solicitation of an offer) to buy/sell the securities/instruments mentioned or an official confirmation. Morgan Stanley may deal as principal in or own or act as market maker for securities/instruments mentioned or may advise the issuers. This is not research and is not from MS Research but it may refer to a research analyst/research report. Unless indicated, these views are the author's and may differ from those of Morgan Stanley research or others in the Firm. We do not represent this is accurate or complete and we may not update this. Past performance is not indicative of future returns. For additional information, research reports and important disclosures, contact me or see https://www.morganstanley.com/en/indices. You should not use e-mail to request, authorize or effect the purchase or sale of any security or instrument, to send transfer instructions, or to effect any other transaction. We cannot guarantee that any such requests received via e-mail will be processed in a timely manner. This communication is solely for the addressee(s) and may contain confidential information. We do not waive confidentiality by miscommunication. Contact me if you do not wish to receive these communications. In the UK, this communication is directed in the UK to those persons who are professional and eligible counterparties (as defined in the UK Financial Services Authority's rules).

Confidential Treatment Requested

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote 75686

HJD-CDO-00004852
FEMALE AUTOMATED VOICE | WEDNESDAY, 2/13/2008 AT 11:30 A.M.
---|---
Ben Case | it's Ben Case.
Hey, Ben, How you doing, man?
Ben Case | Good, How you doing?

| | Oh, hanging in. Hanging in. Just, you know, just another, I wanted to sorta follow up, I don’t know, you know, how obviously we talked in the past, and, going through these things, just basically calling to see, you know, what if any updates, you know, from your front, how you see the market, how you’re thinking about this trade, the eligible assets, the timing, the state of the market, you know, kinda, kinda similar to what we talked about last week.
Ben Case | Sure. Well let me give you my current thoughts. I mean I’d say, in general I’d say not a lot of new, new developments or new information -
Ben Case | - that’s, that’s affecting our current strategy, from the markets, since our last conversation, um, you know, in terms of the timing of the liquidations which I know is the point that you’re most specifically focused on -
Ben Case | I, you know, I’d say, kind of consistent with, with, with, uh, the conversation that, kind of, uh, topics we walked in our last, and my kind of thought process that we walked in the last conversation, I mean I do see the, the wave of short covering in the market kind of continuing to proceed -
Ben Case | - and, you know, if, you know kind of as expected, kind of helping hold up valuations for these kind of assets, even where the ultimate, you know, fundamental, you know, write down amount, looks bleak, but, you know not causing, an actual upick in prices due to kind of a variety of, of other market forces that are, are holding levels down. And, you know, the farther we get into the short covering wave, the more the, the balance between the upside of holding longer, versus the downside of holding longer...
<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>- You know, the risk balance in holding rather than liquidating, you know, changes to the downside -</td>
</tr>
<tr>
<td>Um hum.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>So I think, as we see the short covering wave kind of continue to proceed to, you know, far enough along where we feel like that balance shifts further enough down, you know, it's gonna get to the point where it's in the best interest of the deal to start liquidating them -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>You know, I know we've talked about this twelve month period, you know, I can't give you a ton of specifics or predictions cause, as you know, we're constantly re-evaluating, but I can give you my current thought is, you know, it doesn't seem like it's gonna take till late in the twelve month process for the majority of these assets to get to that point -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Okay.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>- You know, as we see the market moving along, it does seem to be, you know, coming noticeably sooner than that, so, you know, we do see that in progress we do see it moving along, and I think it's, you know, I think that's gonna mean the liquidations are gonna come, you know, kind of sooner rather than later within the twelve month period or the remaining period for, you know, each asset, but exactly what time frame that is, you know, how quickly that is, you know, will be governed by those market conditions, it's tough for me to put an exact, specific answer on that -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right. Well, I mean, look, okay, so now we're, we're what, basically a billion dollars now of eligible assets, right? A lot of it, you know, there have been fits and starts, a lot of it came on in October, and there's a significant, you know, big, you know, another big chunk, you know, but, you know, sort of sixty percent October, forty percent, you know, at the end of January here, you know, we don't need to get into, you know, sort of my feelings about, you know, what, you know, what from an economic, cost standpoint that's meant for our position, because I do think it's significant -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>I, I understand that, I -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>And that's, and it's unfortunate -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ben Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Understand that.</td>
</tr>
</tbody>
</table>
So, so, and look, we've gone back and forth a lot, I wanna try to keep these discussions, you know, constructive, cause I wanna, you know, I don't want you to be dreading, dreading these conversations every week, or whatever, but, you know, I think that, as they, as they come in, right, give me, if you can, you know, one, sort of a way that you've sort of thought about, you know, kinda, kind of the market from October till now, you know, it's hard for me to, you know, looking at, let's just look when I talk to my management, for example, about you, know, the trends in the ABX, and the price movements since October, it's difficult for me to just sorta go back, and hindsight's always twenty-twenty, and I respect that. But it's, it's difficult to go back and sorta, sort of beak that down, so, you know, just in general, clearly prices are down from, from where they were when these assets first got downgraded, right, so clearly the strategy, if it is centered on short covering, hasn't, at least thus far paid off, of course it certainly could, you know, we can start to see a massive short covering rally in the market, no one would welcome it more than I would, but it may or may not happen, and then second, so that's part one, it's sort of, you know, your overall thought process, so I can get a feel if you can't give me specifics on liquidation, at least I can get a feel for, for your thoughts. And then two, if you've given any sort of thought to, from, when you do get to the liquidation point, if you've given any thought to how you would actually execute the liquidation. In other words, I don't think it makes sense to wait to the very last day of eligibility and then sell the things on that day, right, that's not gonna be a price optimization exercise any more than selling it on the first day of eligibility would. So, you know, those, I think those two things right now would be most helpful in terms of me thinking about kinds, where you guys are coming from, in terms of thinking about this role.

Ben Case: Sure, okay, well let me go, let me address both of those things, I mean, certainly, you know, since I, on the first part, kind of what we've seen since October, and, you know, how we think about our strategy and how it's developed, you know, I mean, certainly, you know, it's pretty, pretty transparent to see just what the ABX, oh six two and oh six one -

Yep.

Ben Case: - kind of [inaudible] minus, indices you know, it's cover, a good portion of the portfolio, you know, what the price action has looked like over that time. You know, yeah, I think it's, you know, your characterization is right that, you know, over the course of this time and starting at, you know, kind of, you know, the beginning of the time, you know, sort of say, starting in October for the majority of assets that were, you know, were downgraded and became credit risk obligations -

Yep.

Ben Case: - at that point -

Confidential Treatment Requested

HUD-CDO-00006896
<table>
<thead>
<tr>
<th>Ben Case</th>
<th>You know, our strategy at that point was, you know, given expected market technicals and given, you know, weighing the, you know, the presented probability prices were gonna stay the same, which, you know, is, you know, kinda flat to the deal, I mean I'd say it's, you know our goal is sort of, is to, you know, execute this in as responsible a manner as possible, relative to the goal that, or excuse me, relative to the chance that the prices were gonna go up, versus the prices were gonna go down -</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>Sure. You know, I understand, you guys don't have a crystal ball.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Eliminating the, eliminating the percentage chance, you know, the probability chance that the assets were gonna stay the same, and comparing kind of the up versus the down -</td>
</tr>
<tr>
<td>-</td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- you know, we do think there was more upside than downside, and it, you know, specifically, you know, was driven by our expectation of, you know, our view on market technical flows, which, you know, it's interesting, cause it's kind of, come to pass and it hasn't, I mean, if you looked at, you know, the flows we see, and exactly these kind of names that were, are credit risk obligations, these kind of CUSIPS -</td>
</tr>
<tr>
<td>-</td>
<td>Um hum.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- you know, it has to come to pass that, the vast majority of flows are from short covering rather than, you know, either, either new long initiation or new short initiation -</td>
</tr>
<tr>
<td>-</td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>You know, however, it did not cause upward price action, you know, due to, you know, the overall downward trend in prices related to, you know, all forms of residential credit -</td>
</tr>
<tr>
<td>-</td>
<td>Um hum.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- particularly up the capital structure, you know, it certainly, driven to some degree, you know, particularly when you get up this capital structure by the new remittance report and housing prices and other fundamental, data that's come out.</td>
</tr>
<tr>
<td>-</td>
<td>Sure.</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested

HUD-CDO-00006597
Ben Case - over the time.

No.

Ben Case It's driven, you know, to some degree by other kind of technical market factors such as, rating agency downgrades and, you know, the S&P actions in January.

Right. And throughout this, hold on one second, and I don't mean to cut you off, I appreciate, obviously all this color, I definitely, you know, I definitely want to try to get, you know, into, into what's how you're thinking about it, but through this time, you were, you know, getting pre-, like when these assets become eligible, do you get prices on them? Like how do you, like how do you judge kind of where the market is, and where it is, cause you're not, right I know, cause we've talked about this before too, I know you're not part of the trading desk, right? You are separate, cordoned off from that.

Ben Case Right.

No.

So, how do you get, like, what is the process from which you continue to evaluate the market, are you just looking at ABX, or-

Ben Case Sure, well to be clear I have access to the resources and color of, the trading desk is also part of-

Okay.

Ben Case - the mortgage department here, so it is, it is not, it is not accurate to say I, don't talk to those guys, or I'm, I'm segregated with it, a function that's independent-

Yes.

Ben Case It is, independent in its decision making, but all, everything they can offer as an input-

Yes.

Ben Case I have access to. So I'd say, you know, my color on market pricing and, and levels, comes primarily on a day-to-day basis from, our trading desk.

Okay, [inaudible] cool.

Ben Case You know, I say secondarily from other market sources you know, people I talk to in the market, you know, other, you know, other stuff we see from, from you know, either clients or other dealers or other parties in the market.
you know, that’s, that, adds color as well, but the primary source would be -

Ben Case

Would be your guy. Now, but you don’t have like I do, you don’t have street coverage, right, you’re not sitting there talking everyday to sales people at other firms, and to traders at other firms, or are you?

Ben Case

That’s correct.

Ben Case

You’re not. Okay, cool. All right. So I mean look, going forward, we’re, you know, kinda, gonna, you know I guess take under advisement, right, just so you know, my opinion stays the same, I’d like to see a bid list before three o’clock today -

Ben Case

OK.

Ben Case

We’re gonna, I guess take it under advisement, right, and consider it to evaluate. Not what are looking sort of, you know, we talked the last time about, you know, we feel like, all right, we’re at least parway through this short covering, there may or may not be more of these deals liquidating as we go into event of default, it will be sort of a tug of war between those two guys, you know, I don’t want to put words in your mouth, I, you know, that’s kind of what I’m thinking, would you agree generally with that statement?

Ben Case

Yeah, I, I do, I mean I think the, the majority of the flows, you know, that we estimate we will see on a going forward basis, is continued short covering, and then, you know, also, to whatever extent there are in the market, you know, CDO liquidations -

Ben Case

Yep.

Ben Case

And, yeah, I, the balance between those two, you know, kind of technically it’s probably gonna be the biggest driver of pricing, given -

Ben Case

Yep.

Ben Case

-y you know, we expect those two phenomena to be the vast majority of flows in these exact types of CUSIPS. Yeah, and I say the short covering wave is, you know, it’s far enough along that it, you know, it feels like it’s closer to the end than the beginning -

Ben Case

Sure.

Ben Case

-I think last week I, you know, as I tried to amass, kind of across, you know the big macro guys, how much, you know, their position that they want to get out of relatively in the future, have they already gotten out of?
Yeah.

Ben Case

And I think it’s probably beyond half, I mean, I think it’s somewhere between fifty and sixty percent.

Yep. So that’s kinds where it was last week when we talked, right?

Ben Case

Yeah, I mean, maybe, you know, maybe it’s marginally.

Little bit more.

Ben Case

Farther, you know, we haven’t seen this huge amount of activity in the last week.

Yeah that’s a good point

Ben Case

obviously the conference last week kept things slow.

Yep.

Ben Case

So, you know, as that gets closer to the end, it’s, you know, the upside down, down side balance changes, I would also say, you know, yes there are, I think at last count something like seventy-nine ABS CDOs in event of default.

Yep.

Ben Case

- and we’ve seen a handful, but it’s certainly a single digit number.

Yep.

Ben Case

- proceeding with liquidations.

Okay.

Ben Case

And it’s, you know, the greater the likelihood that a bigger number of magnitudes of move forward with liquidations, certainly is a big factor in changing the upside, downside balance.

Sure.

Ben Case

- holding versus liquidating.

Yep.

Ben Case

I, you know, I’d say it is not my expectation that imminently, we see a bunch of liquidations.
<table>
<thead>
<tr>
<th>Ben Case</th>
<th>- you know, a lot more of, the seventy-nine, that have not started liquidation -</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>immediately starting -</td>
</tr>
<tr>
<td></td>
<td>All right.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>But I do think the farther time goes -</td>
</tr>
<tr>
<td></td>
<td>Sure.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>you know, on the margin, the percentage chance of, that happening goes up, and the percentage chance that the short covering will affect pricing goes down, which is why, you know, I, right now, given all that, I don't see it, you know, being the best decision to wait until, very late in the twelve months -</td>
</tr>
<tr>
<td></td>
<td>Right.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>I think it's, you know, it's gonna be noticeably sooner than that. And it'll be, you know, how those two phenomenon develop whether it's, you know, two weeks, a month, two months, whatever.</td>
</tr>
<tr>
<td></td>
<td>We'll see. Now what about fundamentals side, have you spent, you know, any time, either internally or externally or just for your own purposes, thinking about, you know, things like this lifeline thing, that we heard yesterday, or, you know, the fact that the HOPE NOW is kind of up and running and actually executing stuff, I mean, do you have any expectations for, you know, maybe, not for that particular set of assets but for the market more generally, you know, any hope really of any fundamental, you know, given the, given that we're working with this limited time frame for the documents, do you feel there's anything beyond sort of the technical nature of the markets that we've talked about in the past, that might help, or is that sort of, you know, like we're playing with technicians, and that's the nature of the beast at this point?</td>
</tr>
<tr>
<td>Ben Case</td>
<td>You know, the one thing, I mean, I think there is some chance, and I wouldn't necessarily call it a very high chance -</td>
</tr>
<tr>
<td></td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- but I think there is some, you know, some non-zero chance that, through these kind of programs, there will be, you know, a reasonable expectation of the market, of some lengthening of the foreclosure process -</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- and for the IO value on those kind of assets -</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- separate from technicals moving the price up and down, you know, all this stuff in terms of loan modifications, and, you know, moratoriums on foreclosures, and, you know, pressuring, you know, servicers to, push for home retention -</td>
</tr>
<tr>
<td></td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- programs as a bigger priority rela-</td>
</tr>
<tr>
<td></td>
<td>Have you thought about interest rates, you know, does that, is that enough to offset the lower liable running, you know, the points up front, you get paid to sell the protection here, what's your view kinds on the forward curve?</td>
</tr>
<tr>
<td></td>
<td>Yeah, I mean, look, you know, obviously, you know, the Fed has done what it's done, you know, it's down, significant from where it was, you know, there's more of that priced in, I'm somewhat agnostic, you know, kind of up or down on the forward curve from what's already priced in -</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- in terms of future Fed action, but, you know, the futureFed action, I mean, the expectations what's already priced in, you know I think it's real, and I'm not -</td>
</tr>
<tr>
<td></td>
<td>So you like the forward curve. You don't think it's been -</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Yeah, I don't</td>
</tr>
<tr>
<td></td>
<td>- bent out of shape.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>There's not a, I don't have a, strong view yeah that the forward curve is bent of shape in one direction or the other -</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- that would affect us.</td>
</tr>
<tr>
<td></td>
<td>All right. So last thing is, okay, let's say, all right, that's all great, you know, we can agree, I mean, there's a lot of that I agree with you with, I'm probably a little, obviously a little less optimistic about, you know, at least the short term prospects for any significant return of principal from, you know, from some of those initiatives for, at least this pool of assets.</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested

HUD-CDO-00009902
<table>
<thead>
<tr>
<th>Ben Case</th>
<th>I agree with that, by the way, when I talk about lengthening the IO, it’s really, you know, the biggest or only possible factor, you know, when you talk about these kind of programs looking at, you know, what chance they’re gonna affect increased principal levels -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ben Case</td>
<td>Well, especially for these bonds, right?</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Yeah, exactly. First you gotta look at the loan pool, and it’s, you know, maybe it’s marginal, but, you know, whatever effects it have I think are, gonna take much farther off the time for the market to get comfortable with, and incorporate in the pricing, it’s not a, you know, immediate next few months -</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- phenomenon, and yeah, particularly with, you know, what kind of, you know, marginal effects it’ll have at the loan pool level relative to these kind of securities, yeah, I don’t think there’s much or any impact in terms of changing expectations for principal recovery or the lack thereof on these securities,</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Which is really, I mean that would be, if that, I mean that’s really the key to the, of a big change in price, right, I mean, that’s, you know, you can, we can move up in a plus or minus, three or four or five point range on technicals and IO but, to get any kind of real pop, would you agree that we need some sort of, you know, some sort of assumption by the market that, hey, wait a minute, we might be missing something here, maybe losses aren’t as bad as we think they’re gonna be? And that just seems pretty farfetched as this point.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Yeah, you know, yeah, I think that’s right, that’s obviously gonna be much bigger magnitude than, you know, the IO, or the technicals, you know, yeah, and it’s, I mean, to some extent if you have a given security in the market, pricing in, you know, zero probability of any principal recovery?</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Then there’s only one direction it could go, but I, the chance that it could move in that direction, at least in the next few months, you know, I mean, we’re not talking about, we have the choice here to wait, you know, five years or sell now -</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Right.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- is de minimis I’d say.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Okay. All right. So let’s switch gears now, just in terms of, you know, all right, let’s see now, I don’t know whether it’s a week, or two weeks, or a month, or whenever we get to the point where you, you know, start to initiate this process, you kinda decide that it’s the right time, what, have you thought</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested
<table>
<thead>
<tr>
<th>Ben Case</th>
<th>Sure. Let me give you the automated process -</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- that we’re required to file, and then I’ll give you a couple of other thoughts related to the questions you’ve just asked.</td>
</tr>
<tr>
<td></td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>We, the process will be, we’ll go out with, you know, one or more lists to a minimum of three nationally recognized broker dealers -</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- making markets in these kind of assets -</td>
</tr>
<tr>
<td></td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- at the time we go out with it -</td>
</tr>
<tr>
<td></td>
<td>Yep.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- you know, I’d say, right now my expectation is, there’s no reason to limit it to three, you know, that’s, you know, why not go to as many guys as possible -</td>
</tr>
<tr>
<td></td>
<td>Sure.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- as many guys as we think could give us a price -</td>
</tr>
<tr>
<td></td>
<td>Um hum.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- to, you know, maximize the deal’s chances of getting the best levels -</td>
</tr>
<tr>
<td></td>
<td>Right.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- so, you know, it’s not that we do it in, you know, kind of one off negotiate a private transactions, it has to be done through that auction process, we have to -</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>get the best levels of all we get, which are, you know, a minimum of three solicitations but, you know, more are permitted</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Right. But just like any manager you'd wanna try to broaden the net as wide as possible.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Yeah, yeah, absolutely, that -</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>it's in the best interest of the deal, I think.</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>You know, in terms of whether it'd be driven by, you know, kind of, you know, flows we see from our clients on the</td>
</tr>
<tr>
<td></td>
<td>flows of the market, I, yeah, I'd say that's, you know, just in terms of the, you know, exact implementation of</td>
</tr>
<tr>
<td></td>
<td>this process, you know, kind of all the color that we see and that's at our disposal, you know, will be used to</td>
</tr>
<tr>
<td></td>
<td>try to do it in the most responsible manner.</td>
</tr>
<tr>
<td></td>
<td>Now the reserve levels apply, like do you have, you know, do you have ability, okay, so there's a decision about</td>
</tr>
<tr>
<td></td>
<td>okay, we're gonna do it on this day, and then as we get the prices in, like how much, you know, in terms of</td>
</tr>
<tr>
<td></td>
<td>evaluating the prices themselves, I don't imagine that I, as a participant in the deal, you know, just like the</td>
</tr>
<tr>
<td></td>
<td>equity or triple A's or anybody else, but, would be able to opine on whether or not you should hit bids, or lift</td>
</tr>
<tr>
<td></td>
<td>off or some protection, how, have you thought about, you know, reserve levels apply in sort of your decision</td>
</tr>
<tr>
<td></td>
<td>making process in regard to the actual bids when they come back?</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Sure. You know, I'd say, there is no formal process built in to the deal by which we, you know, go out as if we're</td>
</tr>
<tr>
<td></td>
<td>starting the official liquidation process for assets.</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- and then evaluate the reserve level and then pull back. You know, the formal process is, you know, we go out and</td>
</tr>
<tr>
<td></td>
<td>we trade at the best level we get.</td>
</tr>
<tr>
<td></td>
<td>Okay.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>- now I think, you know, we'll want to implement that as responsibly as possible, and certainly we, you know, we</td>
</tr>
<tr>
<td></td>
<td>do have the ability, to outside of, whatever is the formal, official, you know, sale process.</td>
</tr>
<tr>
<td></td>
<td>Yep.</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested

HUD-CDO-0009905
Ben Case: - prior to that, go out and solicit levels and decide not to trade, so, you know, we, I don't, I think when it makes sense for the deal, we're gonna want to implement it in, you know, just as straightforward a manner as possible.

Yes.

Ben Case: - you know, but we're gonna be responsible about it, too, and it's, you know, we have some amount of, you know, decision in terms of, is this the formal last process that we're going out with, in which case we're required to sell at the best level, or is this a precursor to that, in which case -

Right.

Ben Case: - you know, there's no requirement on what we do.

So there could be some level, even at the individual line item asset of, you know, decision making that you could put into, okay, you know, goes, you know, we're not gonna sell protection on this thing, you know, or buy protection on this thing at ninety-nine and a half points up front, or something like that.

Ben Case: Yeah, I, you know, yeah, we're gonna want to be responsible about it, absolutely, and, you know, the other thing I'd say is in terms of how much do we put out at once, you know, one option is the whole thing in one, one slug -

Yes.

Ben Case: - but we certainly also have the ability to do it in, you know, multiple phases, you know, I don't have a final decision on that for you, and that'll certainly be, you know, kind of, due to our valuation of market conditions this at the time, and we'll see how things go in the future, but my feeling is right now that, you know, a billion is a big list to put out in one day -

Yeah.

Ben Case: - and -

Didn't have to get to a billion, baby.

Ben Case: No, well, I hear ya. But it's, in terms of maximizing the -

Yeah, at this point it is what it is.

Ben Case: returns, in terms of maximizing the levels we get back -

Yes.
Ben Case: - it's not clear to me that putting a billion or frankly anything close to that, is going to get us the highest levels back, so in terms of legging into with some kind of responsible manner, and certainly, we can put it out, and -

But if the deal doesn't restrict you necessarily from, but if the deal doesn't necessarily restrict you from executing on price X, Y or Z, why wouldn't you get as much information back as you possibly could about the widest net of asset.

Ben Case: Agree, other than if the size of the list initially affects the levels the guys are willing to give us.

Okay. So, sort of, you know, along the lines here, it sounds like I have, you know, you guys are gonna be involved in deciding not only when, but at the time when you decide it’s sort of, you know, how, in terms of list size, and then even at the line item level there may be some level of decision about, you know, about price points.

Ben Case: Yeah, and I'd say, you know, look, if we're, you know, if we wanna do it in a couple of phases -

Yep.

Ben Case: - I, you know, my thought is obviously that, you know, the different line items that are gonna be at the highest dollar prices or lowest points up front -

Yep.

Ben Case: - have the, you know, most additional downside to waiting on them -

Right.

Ben Case: - versus the ones that are, you know, as close to zero or a hundred -

Sure.

Ben Case: points up front

- yeah, I mean, you know -

Ben Case: there's less you know, if you're putting those worst names out on a list of a hundred million or billion, there's only so much worse the price can get.

Not that much proceeds.

Ben Case: Right.
A billion doesn't get so scary at ninety-nine and a half up.

Ben Case: So if we're going to, you know, do it in phases rather than all at once, it would make sense to me to try to maximize value where there's the most value to... Okay.

Ben Case: - to be maximized.

Ben Case: Yeah.

Ben Case: In the you know, early part of that rather than later part of it.

Ben Case: Okay.

Ben Case: And I, you know...

Ben Case: All right.

Ben Case: - certainly give me, you know, any thoughts you have on anything specific I'm giving you like that, I know some of it is just, you know, we'll evaluate it and be as responsible as possible at, you know, as we do it, but if you have other thoughts I'm happy to hear your thoughts too.

Ben Case: Yeah, I mean look, I think the key first step is, you know, I need to know, you know, when you guys, when you guys decide, or when you decide that this is the time, you know, I'm more than happy to engage in discussions with you about, you know, the execution side. I want to get a feel for it today, because we haven't really spent a lot of time on that, and, it does sound like you guys are, it's not there, at least getting closer to being there, you know, which is obviously given my stance, kind of music to my ears, and again, just for the record, you know, I'd be happy if you, if you'd call me later today and told me it was this week, and at that time, again, more than happy to sort of talk about, you know, the execution strategy that we would prefer given that, you know, look, we still, we do that, we've been selling a lot of stuff lately, we've gotten pretty good at that, so, that's it, but this is, look man, this is helpful.

Ben Case: Okay.

Ben Case: All right.

Ben Case: Cool.

Ben Case: So we'll, touch base with you again next week.

Ben Case: Sounds good.
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>John Pearce</td>
<td>All right, man.</td>
</tr>
<tr>
<td>Ben Case</td>
<td></td>
</tr>
<tr>
<td>John Pearce</td>
<td>Bye.</td>
</tr>
<tr>
<td>Ben Case</td>
<td>Bye.</td>
</tr>
<tr>
<td></td>
<td>HANG UP</td>
</tr>
</tbody>
</table>

---

Confidential Treatment Requested

HUD-CDO-00006909
From: Caso, Benjamin  
Sent: Thursday, February 28, 2008 9:30 PM  
To: Fettel-Kramer, Sue  
Cc: Martin, Nicole; Lehman, David A.  
Subject: Re: MS Prop - want to arrange a call for tomorrow AM  

9:30

----- Original Message -----  
From: Fettel-Kramer, Sue  
To: Caso, Benjamin  
Cc: Martin, Nicole; Lehman, David A.  
Subject: Re: MS Prop - want to arrange a call for tomorrow AM  

Let's do it after your 8:30 call. What time do you estimate that to be over?

----- Original Message -----  
From: Caso, Benjamin  
To: Fettel-Kramer, Sue  
Cc: Martin, Nicole; Lehman, David A.  
Subject: Re: MS Prop - want to arrange a call for tomorrow AM  

I have calls at 8:30am and 11am tomorrow morning - happy to do a call with JD in between or anytime in the afternoon.

----- Original Message -----  
From: Fettel-Kramer, Sue  
To: Caso, Benjamin  
Cc: Martin, Nicole; Lehman, David A.  
Subject: Re: MS Prop - want to arrange a call for tomorrow AM  

Ben,

JD from MS Prop would like to set up a conference call with you for early tomorrow morning are you available? He'd like to get updates on the following:

1. With Quarter and approaching - sensitivity on all SS positions - he wants to update everyone internally (particularly on Hudson). 2. In wake of recent market volatility with unwind of Peloton, wants to hear your market view at this point (remembers last call we discussed our thoughts that market was going to rebound). 3. JD will give us an update on where they stand at this point
Footnote Exhibits - Page 5297

To: Vanacker, Vanessa (FDO) [Vanessa.Vanacker@morganstanley.com]
Subject: Re: Updates
Sent: Thu 3/21/2008 10:55:36 PM
From: Pearce, John (FDO)

Perfect. Do we have a spreadsheet summary of this?

--- Original Message ---
From: Vanacker, Vanessa (FDO)
To: Pearce, John (FDO); Fenney, Ryan (FDO)
Subject: Re: Updates

Hudson: 968.00m is now credit risk free. Using ABX changes from downgrades data to today's close it is 110.5mm.

--- Original Message ---
From: Pearce, John (FDO)
Sent: Thursday, February 21, 2008 8:54 AM
To: Fenney, Ryan (FDO); Vanacker, Vanessa (FDO)
Subject: Updates

Redacted

2. Hudson: we need to determine exactly when the refi's became "credit risk free". I believe that EMay did some work here. Once we do this, we'll pick a relevant ABX benchmark to calculate the damages we've suffered by GS not liquidating.

Redacted

Confidential Treatment Requested

Permanent Subprime Crisis Investigation
Wall Street & The Financial Crisis
Report Footnote #2413

HJ/CDO-00004682
March 10, 2008

John Failbeter, Esq.
Managing Director and
General Counsel of Institutional Securities
Morgan Stanley
1221 Avenue of the Americas
New York, New York 10020

Dear John:

I am responding to your letter of February 29, 2008 to Pablo Salame of Goldman Sachs regarding Goldman’s role as Liquidation Agent for Hudson Mezzanine Funding 2006-1, Ltd. (“Hudson”) pursuant to a Liquidation Agency Agreement between Hudson and Goldman Sachs.

As a preliminary matter, we were surprised and disappointed to receive a letter containing such serious accusations, without any prior dialogue among our respective legal professionals. We have always tried to maintain a professional working relationship between our institutions, and our firms have many communication channels that could have been utilized constructively before such a letter was sent. It would also not be our custom to have our lawyers initiate contact through your business professionals.

As to its substance, your letter is entirely mistaken in its suggestion that Goldman Sachs has somehow breached its obligations under the Liquidation Agency Agreement.

As Mr. Failbeter’s letter recognizes, Section 2(h) of the Liquidation Agency Agreement specifically provides that Goldman, acting as Liquidation Agent, has no right to remove records in its possession to which it has access, terminate or otherwise dispose of Credit Risk Obligations assigned to it for that purpose. Obviously, establishment of a liquidation period of that duration contradicts — and, indeed, subordinates Hudson’s informed consent — that the Liquidation Agent will necessarily exercise judgment in determining when and how to dispose of Credit Risk Obligations assigned to it for that purpose. Had the parties intended to require disposition in some kind of mechanical manner without regard to any market judgments or timing, the heavily lawyered contract would have read very differently and judgments or timing, the heavily lawyered contract would have read very differently and judgments or timing, the heavily lawyered contract would have read very differently. Goldman Sachs may well have declined to undertake such a constrained role.
Not does this expressly intended commercial ultimate transform Goldman Sachs into a de facto “investment advised” to Hudson, as you suggest. The Agreement (Section 8) in fact categorically disclaims that Goldman Sachs or its affiliates will be providing investment advisory services or otherwise acting as an advisor or fiduciary to Hudson by virtue of its liquidation services. That disclaimer is perfectly consistent with discretion customarily accorded to securities brokers in seeking to fulfill their obligation to obtain the best execution possible for their clients without making them “investment advisers.” We assume that across Morgan Stanley’s diverse broker dealer businesses, including in the extent Morgan Stanley plays similar roles as a liquidation agent, your firm does not register as an investment adviser and follow the Investment Advisers Act simply by virtue of exercising such judgment and limited discretion.

In all events, we respectfully reject any suggestion that Goldman Sachs has failed to act in a commercially reasonable manner or in good faith is attempting to achieve an orderly liquidation of the Credit Risk Obligations in a challenging market environment.

To the contrary, Goldman Sachs has exercised its best judgment based on its experience and the available information affecting these volatile markets. We note that although you apparently disagree with Goldman Sachs’ judgments, you do not appear to contend that those judgments are not genuine or have been arrived at for a bad faith purpose.

Finally, we see no purpose at this time in addressing all other matters raised by your letter, including its significant mischaracterization of Mr. Case’s statement. Morgan Stanley’s lack of standing even to advance many positions that are within the exclusive province of Hudson, and the preclusive effect on Morgan Stanley’s contentions of the Agreement’s broad exculpation and conflict waiver provisions are sufficient response. Suffice it to say that Goldman Sachs will continue to perform its role in good faith, and we truly hope that Morgan Stanley will not escalate this matter into a needless legal dispute that will simply increase the costs for Hudson and the holders, given the Agreement’s indemnification provisions. We are, of course, open to the views of Morgan Stanley and all other interested parties in this transaction. However, while it is obviously easy to criticize any judgment with hindsight, we believe that it would be more

Confidential Treatment Requested

HUD-CDO-00006602

Sincerely,

[Signature]

James R. Brahamson
Managing Director
Deputy General Counsel
Footnote Exhibits - Page 5300

From: John Pearce (FD) John.Pearce@morganstanley.com
Sent: Thursday, March 25, 2009 6:10 PM
To: Patrick, Michael (FD)
Subject: S27 recap

Redacted

Hudson: received a list from G3 today for (FMO) offer tomorrow 8 lpm, $312mm notional. Although this is the first list we've seen, this will bring the total liquidated to $512mm/FIMM eligible. Great job by Nick 0 here...

Redacted

John Pearce, Managing Director
Morgan Stanley | Fixed Income
1585 Broadway, 10th Floor | New York, NY 10036
Phone: +1 212 762-2700
John.Pearce@morganstanley.com

Confidential Treatment Requested

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2616

HUD-CDO-00094378
Footnote Exhibits - Page 5301

From: Ostrander, Richard (LEGAL) [Richard.Ostrander@morganeisley.com]
Sent: Monday, March 24, 2008 12:20 PM
To: Littlejohn, Darren
Subject: Re: Hudson

Darren,

Let's proceed with the liquidation. Pls let us know the expected timing. Thanks.

RtK

--- Original Message ---
From: Littlejohn, Darren <Darren.Littlejohn@gs.com>
To: Ostrander, Richard (LEGAL)
Cc: Benmore, Pete <Pete.Benmore@gs.com>
Subject: Hudson

Rick:

Notwithstanding our conversation on Thursday, I am forwarding details of an unusual level which our traders put together today (the email from our trading desk is pasted immediately below). Please let me know if you have any questions.

Kind regards,

Darren

3F-00 but flat for the USDM versus 1 super senior swap (50) points upfront, so accrued

No delta exchange

Subject to market moves, please call desk to trade 212 902 2927

TVI settlement

Confidential Treatment Requested by Goldman
From: TerriBo, Jason
Sent: Thursday, March 20, 2008 2:11 PM
To: eric.vasquez@bymallon.com
Cc: Lin, Shelly; Fico-CDO-MO; Case, Benjamin; Epakteyn, Faina
Subject: Re: Hudson Mezz 2008-1 - Liquidation Agent trades

Erin,

I just left a VM, we've yet to receive any of the novation requests. Please send as soon as possible, especially it being an early close.

Thanks

----- Original Message ----- 
From: TerriBo, Jason
To: "eric.vasquez@bymallon.com" <eric.vasquez@bymallon.com>
Cc: Lin, Shelly; Fico-CDO-MO; Case, Benjamin; Epakteyn, Faina
Subject: Re: Hudson Mezz 2008-1 - Liquidation Agent trades

Erin,

If you can please send the novation requests as soon as possible, if you have not already, thanks.

Jason

From: Case, Benjamin
Sent: Thursday, March 20, 2008 1:01 PM
To: 'eric.vasquez@bymallon.com'
Cc: Lin, Shelly; Fico-CDO-MO
Subject: Hudson Mezz 2008-1 - Liquidation Agent trades

Erin,

Attached are details on today's liquidations of Credit Risk Obligations from Hudson Mezz 2008-1. Trades listed with Lehman and Deutsche Bank will be novations — please follow the same novation protocol as last time. Trades with GS will be terminations. Trade levels are listed as the percentage of the notional amount that Hudson Mezz 2008-1 pays to the counterparties to novate or terminate, before adjourning for accrued interest.

Please let us know if you have any questions or need any more information.

Regards,
Ben

<< File: ABS CDS GMIC 3-20-08 - trade details.xls >>

© Copyright 2008 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com/disclaimer/email-releaseandtrading.html for important risk disclosure, conflicts of interest and other terms and conditions relating to this e-mail and your receipt of the information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/disclaimer/email/ for further information on confidentiality and the risks of non-secure electronic communication. If you cannot access these links, please notify us by reply message and we will send the contents to you.

Confidential Treatment Requested by Goldman Sachs
Goldman, Sachs & Co., as Liquidation Agent
85 Broad Street
New York NY 10004

June 6, 2008

To: The Issuers
The Trustee
(Each as defined in the Indenture referred to below)

Re: Hudson Mezzanine Funding 2006-1, Ltd. — Certain Dispositions

Ladies and Gentlemen:

Reference is made to the Indenture dated as of December 5, 2006 among Hudson Mezzanine Funding 2006-1, Ltd., Hudson Mezzanine Funding 2006-1, Corp. and The Bank of New York Trust Company, National Association, as Trustee (as the same may be amended, supplemented or otherwise modified from time to time, the "Indenture"). Capitalized terms used but not defined herein are used as defined in the Indenture.

The undersigned is the Liquidation Agent under the Liquidation Agency Agreement. The first sentence of Section 2(b) of the Liquidation Agency Agreement provides that the Liquidation Agent will, on behalf of the Issuer, pursuant to the terms of the Liquidation Agency Agreement, act, adjudge, terminate or otherwise dispose of (i) CDS Transactions held by the Issuer, the Reference Obligations of which are determined by the Collateral Administrator, on behalf of the Issuer, pursuant to the Collateral Administration Agreement, to be Credit Risk Obligations and (ii) the Collateral Obligations.

Attached hereto is a schedule of transactions effected pursuant to the first sentence of Section 2(b) of the Liquidation Agency Agreement during the period referred to in the schedule, together with certain related information.

The Liquidation Agent is providing this letter to the Issuers and the Trustee with the understanding that the Issuer is requesting that the Trustee promptly deliver a copy of this letter to each Noteholder.

Very truly yours,

Goldman, Sachs & Co., as Liquidation Agent

Confidential Treatment Requested

Wall Street & The Financial Crisis
Report Footnote #6118

Permanent Subcommittee on Investigations

HUD-CDO-00003155
<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data 1</td>
<td>Data 2</td>
<td>Data 3</td>
<td>Data 4</td>
<td>Data 5</td>
</tr>
<tr>
<td>Data 6</td>
<td>Data 7</td>
<td>Data 8</td>
<td>Data 9</td>
<td>Data 10</td>
</tr>
<tr>
<td>Data 11</td>
<td>Data 12</td>
<td>Data 13</td>
<td>Data 14</td>
<td>Data 15</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested

HUD-CD-00003156
Footnote Exhibits - Page 5306
EXECUTION COPY

TIMBERWOLF I, LTD.
Issuer

AND

TIMBERWOLF I (DELAWARE) CORP.
Co-Issuer

AND

THE BANK OF NEW YORK
Trustee and Securities Intermediary

INDENTURE

Dated as of March 27, 2007

Confidential Treatment Requested

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #1622

GS MBS-E-021825583
and under the exclusive control of the Trustee, to be held in trust for the benefit of the Secured Parties, as described herein. To the extent moneys deposited in a trust account exceed amounts insured by the Federal Deposit Insurance Corporation, or any agencies succeeding to the insurance functions thereof, and are not fully collateralized by direct obligations of the United States of America, such excess shall be invested in Eligible Investments pursuant to an Issuer Order.

ARTICLE 12

DISPOSITION OF COLLATERAL ASSETS

Section 12.1 Sale and Removal of Credit Risk Obligations and Defaulted Obligations.

(a) Provided that no Event of Default has occurred and is continuing and subject to the satisfaction of the conditions specified in Section 10.5 as applicable, and the remainder of this Section 12.1, the Collateral Manager may direct the Issuer to sell Credit Risk Obligations, Defaulted Obligations or equity securities or assign or terminate Synthetic Securities the Reference Obligations of which are Credit Risk Obligations, Defaulted Obligations or equity securities.

(b) The assignment, termination or disposition price for any such sale or removal of a Collateral Asset will equal the fair market value of such Collateral Asset. The fair market value of any such Collateral Asset will be the highest bid received by the Collateral Manager after attempting to solicit a bid from up to three independent third parties making a market in such Collateral Asset, at least one of which is not from the Collateral Manager; provided that, if upon commercially reasonable efforts of the Collateral Manager, bids from three independent third parties making a market in such Collateral Asset are not available, the highest of the bids from two such third parties may be used; provided, further that, if upon commercially reasonable efforts of the Collateral Manager, bids from two independent third parties making a market in such Collateral Asset are not available, one such bid may be used so long as it is not from the Collateral Manager. The proceeds from any such sale of Collateral Asset will be applied as Principal Proceeds on the next succeeding Payment Date and may not be reinvested in other Collateral Assets. The proceeds from the disposition of a Collateral Asset may not be reinvested in any other Collateral Asset.

(c) Equity securities received in exchange offers shall be sold as soon as commercially practicable in the Collateral Manager’s reasonable business judgment. Subject to applicable law, the Issuer shall use commercially reasonable efforts to sell any Margin Stock acquired by it by a date not later than 45 days after the date of the Issuer’s acquisition of such Margin Stock. The limits and time periods provided in this Section 12.1(c) may be extended subject to satisfaction of the Rating Agency Condition.

(d) If no Event of Default has occurred and is continuing, a Synthetic Security, if eligible for sale in accordance with Section 12.1(a) hereof, shall be assigned, terminated or sold (treating such assignment or termination as a sale for purposes of this Article 12) as directed by the Collateral Manager on behalf of the Issuer. Any cash received in payment of principal on or

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825707
upon the liquidation of Default Swap Collateral or Synthetic Security Collateral (not of any amounts payable to the Synthetic Security Counterparty) shall be deemed to be Principal Proceeds.

(e) The Issuer may also,

(i) in the case of an Optional Redemption by Liquidation, at the direction of the Collateral Manager, direct the Trustee to sell, terminate or assign and the Trustee shall sell, terminate or assign in the manner directed by the Collateral Manager in writing, the Collateral Assets without respect to the limitations of Section 12.1(a), (b), (c) or (d) hereof and the remaining Collateral; provided that the requirements set forth in Sections 9.1(a) and 9.2 hereof can be demonstrably met prior to any such sale, and that the proceeds from such sale, determined in accordance with the criteria for an Optional Redemption by Liquidation, will equal or exceed the Total Redemption Amount, and upon such sale the Trustee shall release such Collateral from the lien of this Indenture;

(ii) in the case of a Tax Redemption, at the direction, or with the consent, of the Collateral Manager on any Payment Date, direct the Trustee to sell, terminate or assign, and the Trustee shall sell, terminate or assign in the manner directed by the Collateral Manager in writing, the Collateral Assets without respect to the limitations of Section 12.1(a), (b), (c) or (d) above and the remaining Collateral; provided that the requirements set forth in Sections 9.1(b) and 9.2 hereof can be demonstrably met prior to any such sale, and that the proceeds from such sale will equal or exceed the Total Redemption Amount, and upon such sale the Trustee shall release such Collateral from the lien of this Indenture; and

(iii) if, in connection with an Auction, the Collateral Manager receives timely bids (which are each "firm offers") that are, in the aggregate, at least equal to the Minimum Bid Amount, at the direction of the Collateral Manager, direct the Trustee to sell, terminate or assign and the Trustee shall sell, terminate or assign the Collateral Assets in the manner directed by the Collateral Manager in writing; provided further that, the procedures set forth in this Indenture and in Schedule E of this Indenture, as applicable, are satisfied.

Section 12.2 General Cashflow Swap Agreement Provisions.

(a) On the Closing Date, the Issuer shall enter into a Cashflow Swap Agreement with Goldman Sachs International as initial Cashflow Swap Counterparty, provided that the Issuer may replace the Cashflow Swap Agreement but shall not enter into any additional hedge agreements after the Closing Date.

Pursuant to the Cashflow Swap Agreement, on each Payment Date occurring through the termination of the Cashflow Swap Agreement in accordance with the Priority of Payments, the Issuer will pay certain amounts due to the Cashflow Swap Counterparty in accordance with the Cashflow Swap Agreement and the Cashflow Swap Counterparty will make advances to the Issuer in accordance with the Cashflow Swap Agreement.
(b) The Issuer shall ensure that the Cashflow Swap Agreement shall provide that the Cashflow Swap Counterparty will agree: (a) that the Issuer's obligations under the Cashflow Swap Agreement are limited recourse obligations of the Issuer payable solely from the Collateral and subordinated as set forth in the Priority of Payments, (b) to a standard non-petition clause, and (c) that Cashflow Swap Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

(c) Pursuant to the initial Cashflow Swap Agreement, the Issuer may terminate the initial Cashflow Swap Agreement if (A) Moody's First Rating Trigger Requirements apply and 30 or more local business days have elapsed since the last time the Moody's First Rating Trigger Requirements did not apply and Goldman Sachs International has failed to comply with or perform any obligation to be complied with or performed under the Credit Support Annex, and (B) (i) the Moody's Second Rating Trigger Requirements apply and 30 or more local business days have elapsed since the last time the Moody's Second Rating Trigger Requirements did not apply and (ii) an Eligible Replacement has not been accepted or approved by the trustee described in subsection 2.12.8 of the Cashflow Swap Agreement, subject to satisfaction of the Rating Agency Condition and/or (ii) an entity with the Moody's First Trigger Required Ratings has not provided an Eligible Guarantee in respect of all of the initial Cashflow Swap Counterparty's present and future obligations under the Cashflow Swap Agreement;

(d) The Collateral Manager may cause the Issuer, promptly following the early termination of the Cashflow Swap Agreement (other than on a Final Payment Date) and to the extent possible through application of funds available in the Cashflow Swap Termination Receipts Account, to enter into a replacement Cashflow Swap agreement (a "Replacement Cashflow Swap") which may have different terms; provided that the Rating Agency Condition is satisfied.

(i) If (A) the funds available in the Cashflow Swap Termination Receipts Account exceed the costs of entering into a Replacement Cashflow Swap, (B) the Collateral Manager determines not to replace the terminated Cashflow Swap Agreement and the Rating Agency Condition is satisfied, or (C) the termination is occurring with respect to a Final Payment Date, then amounts in the Cashflow Swap Termination Receipts Account (after providing for the costs of entering into a Replacement Cashflow Swap, if any) shall be transferred to the Collection Account on the next following Transfer Date and shall be treated as Principal Proceeds and distributed in accordance with the Priority of Payments on the next Payment Date (or on such Final Payment Date, if applicable, the Notes are redeemed).

(ii) If the Cashflow Swap Agreement is terminated and the costs of entering into a Replacement Cashflow Swap exceed the funds credited to and available therefor in the Cashflow Swap Termination Receipts Account, then, after using the funds in the Cashflow Swap Termination Receipts Account, the Issuer may enter into a Replacement Cashflow Swap with such Cashflow Swap Replacement Amount payable to the replacement Cashflow Swap Counterparty in accordance with Section 11.1(a)(vi) hereof on subsequent Payment Dates or, if such termination would result in a Defaulted Cashflow Swap Termination Payment, in accordance with Section 11.1(a)(viii) hereof on subsequent Payment Dates.
Footnote Exhibits - Page 5310

(e) The amounts in the Cashflow Swap Replacement Account shall be applied directly to the payment of termination payments owing to the Cashflow Swap Counterparty, if any. To the extent not fully paid from Cashflow Swap Replacement Proceeds, such amounts shall be payable to the Cashflow Swap Counterparty in accordance with Section 11.1(a)(iv) hereof on subsequent Payment Dates or, if such termination payment is a Defaulted Cashflow Swap Termination Payment, in accordance with Section 11.1(a)(viii) hereof on subsequent Payment Dates. To the extent that the funds available in the Cashflow Swap Replacement Account exceed any such termination payments (or if there are no termination payments), the excess amounts in the Cashflow Swap Replacement Account shall be transferred to the Collection Account on the next Transfer Date and shall be treated as Principal Proceeds and distributed in accordance with the Priority of Payments on the next Payment Date. If the termination amounts owing to the Cashflow Swap Counterparty exceed the Cashflow Swap Replacement Proceeds for such agreements, then, unless such amounts represent Defaulted Cashflow Swap Termination Payments, they will be paid before funds are applied to pay principal or interest on any Notes (except the Class S-1 Notes) in accordance with the Priority of Payments.

(f) The Issuer shall ensure that the Cashflow Swap Agreement may be terminated, whether or not the Notes have been paid in full on or prior to such termination, upon, among other things, (i) certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization of the Issuer or the Cashflow Swap Counterparty, (ii) failure on the part of the Issuer or the Cashflow Swap Counterparty to make any payment under the Cashflow Swap Agreement within the applicable grace period, (iii) certain withholding or other taxes being imposed on payments to be made under the Cashflow Swap Agreement as set forth in Sections 5.9(ii) and (iii) of the ISDA Master Agreement incorporated in the Cashflow Swap Agreement, (iv) a change in law making it illegal for either the Issuer or the Cashflow Swap Counterparty to be a party to, or perform an obligation under, the Cashflow Swap Agreement, (v) an Event of Default under the Indenture occurs and is continuing and there has been a liquidation (in whole), or the commencement of a liquidation (in whole) of assets of the Issuer, (vi) the Indenture is supplemented or amended without the consent of the Cashflow Swap Counterparty as described therein, (vii) the Cashflow Swap Counterparty is no longer a Secured Party under the Indenture or (viii) the aggregate Principal Balance of the Collateral Assets becoming less than U.S.$50,000,000. Notwithstanding the foregoing, the Issuer will not optionally terminate any Cashflow Swap Agreement unless the Rating Agency Condition is satisfied in connection with such termination.

(g) In the event of the occurrence of an Optional Redemption by Liquidation, Tax Redemption or a successful Auction, if the Cashflow Swap Agreement is terminated in accordance with the terms thereof, the Collateral Manager, on behalf of the Issuer, shall furnish to the Trustee evidence in form and substance satisfactory to the Trustee that the Collateral Manager has entered into one or more binding agreements (i) for the purchase of the Collateral with purchasers or counterparties whose short term debt ratings are "P-1" by Moody's and "A-1+") by S&P and (ii) for the pricing of termination payments under the Cashflow Swap Agreement, and which agreements provide for the purchase of the Collateral Assets and the termination of the Cashflow Swap Agreement in 10 days or less from the date thereof and that such redemption is non-reversible.
(b) The Trustee shall credit to the Cashflow Swap Collateral Account all amounts, securities and other collateral that are received from the Cashflow Swap Counterparty to secure the obligations of the Cashflow Swap Counterparty as specified in the Cashflow Swap Agreement. Each item of collateral credited to the Cashflow Swap Collateral Account will be credited to a separate sub-account relating to the Cashflow Swap Counterparty which pledged such collateral. Except for investment earnings, the Cashflow Swap Counterparty shall not have any legal, equitable or beneficial interest in any Cashflow Swap Collateral Account other than in accordance with this Indenture, the applicable Cashflow Swap Agreement and applicable law.

As directed by an Issuer Order executed by the Collateral Manager in writing and in accordance with the Cashflow Swap Agreement (which may be in the form of standing instructions), amounts credited to a Cashflow Swap Collateral Account shall be invested in investments meeting the criteria of "Eligible Investments" unless otherwise specified in the Cashflow Swap Agreement (provided, for the avoidance of doubt, that such investments shall not constitute "Eligible Investments" for purposes of the Coverage Tests). Income received on amounts credited to the Cashflow Swap Collateral Account shall be withdrawn from such account and paid to the Cashflow Swap Counterparty in accordance with the applicable Cashflow Swap Agreement.

Section 12.3 Reserved.

Section 12.4 Reserved.

Section 12.5 Synthetic Securities.

(a) Under certain conditions described in the Synthetic Securities, each Synthetic Security Counterparty may be required to post Synthetic Security Collateral under the circumstances and as described in the Synthetic Securities. The Synthetic Security Collateral pledged by each Synthetic Security Counterparty will be credited by the Trustee to the Synthetic Security Collateral Account and held therein pursuant to the terms of the related Synthetic Security. Each item of collateral credited to the Synthetic Security Collateral Account will be credited to a separate sub-account relating to the Synthetic Security for which the related Synthetic Security Counterparty has pledged such collateral.

(b) The Synthetic Securities shall be structured as "pay-as-you-go" credit default swaps. As part of the purchase of each Synthetic Security on or before the Closing Date, the Issuer will be required to purchase Default Swap Collateral which satisfies the Default Swap Collateral Eligibility Criteria set forth in the related Synthetic Security and the inclusion of which has been consented to by the Synthetic Security Counterparty in the amount required to secure the obligations of the Issuer in accordance with the terms of the related Synthetic Security which shall be in at least an amount equal to the Aggregate Reference Obligation Notional Amount. The Synthetic Security Counterparty shall have consent rights with respect to the Default Swap Collateral and no Default Swap Collateral objected to by the Synthetic Security Counterparty may be purchased by the Issuer. Default Swap Collateral shall be credited to the Default Swap Collateral Account. The amount payable by the Issuer to the Synthetic Security Counterparty under a Synthetic Security shall not exceed the Default Swap Collateral.
Footnote Exhibits - Page 5312

Interest payments and redemption premiums, dividend distributions or investment earnings on and any fees paid with respect to the Default Swap Collateral shall constitute property of the Issuer and shall be paid to the Trustee and credited to the Collection Account and treated as Proceeds unless such amounts are required to be paid to the related Synthetic Security Counterparty under the terms of the related Synthetic Security. Principal payments on the Default Swap Collateral prior to the termination of the Synthetic Security shall be held in accordance with such Synthetic Security in the Default Swap Collateral Account and invested in Eligible Investments until reinvested in Default Swap Collateral at the direction of the Collateral Manager on behalf of the Issuer with the consent of the Synthetic Security Counterparty.

In the event a Synthetic Security is terminated prior to its scheduled maturity without the occurrence of a Credit Event or a Floating Amount Event, the Collateral Manager on behalf of the Issuer shall cause such portion of the related Default Swap Collateral chosen by the Synthetic Security Counterparty as may be required to make any Synthetic Security Termination Payments, to be liquidated and any such Synthetic Security Termination Payments to be paid directly to the Synthetic Security Counterparty, provided that, in the case of Defaulted Synthetic Security Termination Payments, such amounts will be deposited to the Collection Account and paid in accordance with the Priority of Payments. The Synthetic Security Counterparty will bear any market risk on the liquidation of the Default Swap Collateral. The remaining related Default Swap Collateral to the extent not required to remain credited to the Default Swap Collateral Account and pledged to the Trustee for the benefit and security of the related Synthetic Security Counterparty shall be credited to the Collection Account. In the event that no Credit Event or Floating Amount Event under a Synthetic Security has occurred prior to the termination or scheduled maturity of the Synthetic Security, the Collateral Manager on behalf of the Issuer shall cause such Default Swap Collateral to be credited to the Collection Account.

The Synthetic Securities provide for cash settlement or physical settlement upon the occurrence of a Credit Event or Floating Amount Event under a Synthetic Security at the Synthetic Security Counterparty's choice. If the Synthetic Security Counterparty has chosen cash settlement, the item of Default Swap Collateral chosen by the Synthetic Security Counterparty after the application of any cash and Eligible Investments credited to the Default Swap Collateral Account will be sold by the Trustee in a sale arranged by the Collateral Manager and any amounts owed to the Synthetic Security Counterparty and any amounts owed to the Issuer from the liquidation proceeds of such Default Swap Collateral. In the event liquidation proceeds are less than par, the Synthetic Security Counterparty will accept the liquidation proceeds applicable to the face amount of Default Swap Collateral sold which is equal to the amount due to the Synthetic Security Counterparty. Any Proceeds not of purchased accrued interest or interest payments received upon the maturity or liquidation of a Deliverable Obligation shall be deposited to the Default Swap Collateral Account. In the event a Credit Event has occurred and the Issuer is required to liquidate Default Swap Collateral and deliver cash to the Synthetic Security Counterparty, the Synthetic Security Counterparty will bear any market risk on the liquidation of the Default Swap Collateral. If the Synthetic Security Counterparty has chosen physical settlement, the Default Swap Collateral chosen by the Synthetic Security Counterparty will be delivered to the Synthetic Security Counterparty in exchange for the related Reference Obligation.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825712
Any Default Swap Collateral credited to the Collection Account and any related Reference Obligation delivered to the Issuer whether either of such satisfies the definition of an Eligible Investment or qualifies as a Collateral Asset in the business judgment of the Collateral Manager may be retained or sold by the Issuer at the direction of and in the sole discretion of the Collateral Manager without regard to whether such sale would be permitted as a sale of a Defaulted Obligation or a Credit Risk Obligation. Any Proceeds net of purchased accrued interest or interest payments received upon the maturity or liquidation of the Default Swap Collateral credited to the Collection Account shall be deposited to the Default Swap Collateral Account.

Upon the occurrence of any Interest Shortfall with respect to any Reference Obligation, the Fixed Amount payable under the related Synthetic Security by the Synthetic Security Counterparty to the Issuer will be reduced by an amount equal to the related Interest Shortfall Payment Amount, such reduction amount not to exceed the Fixed Amount, if "fixed cap" is applicable, or such reduction amount not to exceed the applicable floating cap, if "variable cap" is applicable, as described in each Synthetic Security. If any amount in satisfaction of the Interest Shortfall which gave rise to any Interest Shortfall Payment Amount, including interest accrued thereon, is later paid with respect to a Reference Obligation, the Synthetic Security Counterparty will pay such amount, or in certain circumstances a portion of such amount to the Issuer as an Interest Shortfall Reimbursement. Interest Shortfall Reimbursement Amounts will not exceed the cumulative Interest Shortfall Amounts (including any interest thereon) previously determined in relation to such Reference Obligation.

So long as the long-term ratings of the Synthetic Security Counterparty or any guarantor of the Synthetic Security Counterparty’s obligation under a Synthetic Security are equal to or higher than (i) “Aa3” by Moody’s (and, if rated “Aa3” by Moody’s, is not on watch for possible downgrade) and (ii) “AA-” by S&P (and, if rated “AA-” by S&P, is not on watch for possible downgrade), the Fixed Amount due by the Synthetic Security Counterparty will be payable in arrears. However, if the long-term ratings of the Synthetic Security Counterparty or any guarantor fall below any such levels, the Synthetic Security Counterparty will be required to pay the Fixed Amount due under the Synthetic Securities in advance. The failure of the Synthetic Security Counterparty to pay the Fixed Amount in advance if such rating levels are no longer satisfied will constitute an “event of default” under the terms of the Synthetic Security with the Synthetic Security Counterparty as the sole “Defaulting Party” under such Synthetic Security.

With respect to any Write-Down Amount or Interest Shortfall Amounts received after the long-term rating of the Synthetic Security Counterparty is below “AA-” by S&P, the Synthetic Security Counterparty will be required to reserve the related Write-Down Reserve Amount and the related Interest Shortfall Reserve Amount in the Synthetic Security Collateral Account in accordance with the terms of the Synthetic Security.

The Issuer will pay certain Floating Amounts to the Synthetic Security Counterparty following the occurrence of a Floating Amount Event with respect to a Reference Obligation. The Issuer will pay Floating Amounts to the Synthetic Security Counterparty on the Floating Rate Payer Payment Date following the occurrence of a Floating Amount Event with respect to the related Reference Obligation.
Following the occurrence of a Credit Event with respect to a Reference Obligation, the Synthetic Security Counterparty may deliver such Reference Obligation as a Deliverable Obligation to the Issuer, in exchange for which the Issuer will pay to the Synthetic Security Counterparty an amount (a "Physical Settlement Amount"), which amount shall be calculated in accordance with the related Synthetic Security and paid on the related Physical Settlement Date. The Synthetic Security Counterparty may elect to physically settle a Synthetic Security only in part, in which case, there may be more than one Physical Settlement Amount payable by the Issuer with respect to such Synthetic Security.

Any Deliverable Obligation delivered to the Issuer may be retained or sold by the Issuer at the sole discretion of the Collateral Manager without regard to whether such sale would be permitted as a sale of a Defaulted Obligation or a Credit Risk Obligation. The proceeds of such sale will be deposited by the Trustee into the Default Swap Collateral Account net of purchased accrued interest or interest payments thereon. In addition, any principal proceeds or interest received on such Deliverable Obligations prior to such sale will be deposited by the Trustee into the Collateral Account.

In connection with any early termination or assignment of a Synthetic Security, the Issuer may owe a Synthetic Security Termination Payment. Synthetic Security Termination Payments will generally be paid directly and outside of the Priority of Payment; provided that Defaulted Synthetic Security Termination Payments will be paid in accordance with the Priority of Payments.

The Issuer shall satisfy the Rating Agency Condition prior to any (i) replacement of the Synthetic Security Counterparty or (ii) assignment of the Synthetic Securities.

The Synthetic Securities may be amended only with (i) the satisfaction of the Rating Agency Condition and (ii) the consent of the Collateral Manager (which consent shall not be unreasonably withheld); provided however, that with respect to (i), such condition need not be satisfied with respect to any amendment that corrects a manifest error.

All principal payments on the Default Swap Collateral in the Default Swap Collateral Account will be invested in Eligible Investments at the direction of the Trustee until invested in Default Swap Collateral satisfying the Default Swap Collateral Eligibility Criteria at the direction of the Collateral Manager with the consent of the Synthetic Security Counterparty. Notwithstanding the foregoing, if and so long as the unsecured, uncoordinated debt rating of the Synthetic Security Counterparty or the credit support provided for the Synthetic Security Counterparty, whichever is higher, assigned by Moody's is below "A1", all principal payments on the Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account will be maintained in Cash and Eligible Investments (unless otherwise required to be applied, in accordance with the terms of this Indenture, to either (i) the payment of the Notes or other amounts in accordance with the Priority of Payments or (ii) the payment of Credit Protection Amounts) until such time as the Balance of the Cash and Eligible Investments in the Default Swap Collateral Account is equal to the Aggregate Outstanding Amount of the Class A Notes and the Class B Notes. Furthermore, all principal payments on the Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account will be maintained in Cash and Eligible Investments (unless otherwise required to be applied, in accordance with the terms of this Indenture, to either (i) the payment of the Notes or other amounts in accordance with the Priority of Payments or (ii) the payment of Credit Protection Amounts) until such time as the Balance of the Cash and Eligible Investments in the Default Swap Collateral Account is equal to the Aggregate Outstanding Amount of the Class A Notes and the Class B Notes.
From: Bentani, Slim  
Sent: Monday, July 2, 2007 2:10 PM  
To: Sparks, Daniel L.  
Subject: RE: Potential trade booking issues

will do. will have to convince ourselves obviously that it is not a violation.

From: Sparks, Daniel L.  
Sent: Friday, June 29, 2007 1:56 PM  
To: Bentani, Slim  
Subject: RE: Potential trade booking issues  

Sure - speak with turck and john mcugh

It sounds like the issue that started all this may not be a violation after all (based on preliminary discussion with controllers and etc). In any case - we need to identify all potential items so there is good awareness.

From: Bentani, Slim  
Sent: Friday, June 29, 2007 1:57 PM  
To: Sparks, Daniel L.  
Subject: RE: Potential trade booking issues  

thanks. if i may ask:

- what business areas do you think we should focus on and who would be the trading contacts.
- ok i mention your sponsorship or at least agreement to get people around the table? 'dan asked me to ... is a bit strong but would do wonders. after talking to dan ... would do the trick i think.

best meanwhile,

slim

From: Sparks, Daniel L.  
Sent: Friday, June 29, 2007 1:23 PM  
To: Bentani, Slim  
Subject: RE: Potential trade booking issues  

I think that would be helpful. I thought a scrub occurred at the end of the first quarter to identify the open items. I am aware of a number of them. You should coordinate with John McHugh who already has put together a list. Also, talk to Turck who I think was involved in the Q1 scrub.

Thanks, and please keep me posted and informed real time on how it progresses.
1245

Footnote Exhibits - Page 5316

thanks dear,
In some ways, this is even more concerning to me, our processes have failed in a deeper way if some ops & controllers etc... were aware but (as seems to be the case) none of the people in the email list know.
awaiting for john’s list which i suppose will be a survey of what various constituencies know.
in my opinion a reconciliation is warranted here, by this i mean reviewing all trades in areas that with your
help we can identify as potentially having such issues and going through the chain. i think this would give us
comfort and also be the opportunity to get everyone on the same page.
I’d be very happy to coordinate such an effort, having representatives from ops/controllers/auditors &
ourselves work together to that effect.
pls let me know your thoughts,
sim

From: Sparks, Daniel L.
Sent: Thursday, June 28, 2007 8:12 PM
To: Bentham, Simon; Muller, Donald; Petersen, Bruce; Wessel, Elisha; Lee, Brian-J (FT Controllers)
Subject: Potential trade booking issues

John McHugh is putting together a list of outstanding items to make sure people (trading, strats, ops,
etc) are aware of the situations that need to be addressed.

As you can see below, the put issue is not a new one and the topic has been outstanding for over a
year.

From: Little, John
Sent: Wednesday, April 12, 2006 3:14 PM
To: Bieber, Matthew G.; Ostrem, Peter L.; Turck, Michael
Cc: Powlow, Albert
Subject: RE: Peloton pricing today

Peter/Mat - will spreads on the AAA default swap collateral be easily observable? How wide is
the range of eligible assets (in terms of sectors, etc.)?

Mike - do you expect any difficulties with modeling the put (that may include collateral from
various sectors, of which the makeup could change, etc.)? Would you expect the value of the
collateral puts to be material (or at least material off from the loan estimate below)?

Eventhough the ASACUS puts are different, we are trying to stick consistent in terms of P&L
recognition - I believe those puts are modeled based on the actual collateral spreads (which
are assessed for observability) and stress was asked their opinion on the materiality of the put
value

thnks

From: Bieber, Matthew G.
Sent: Wednesday, April 12, 2006 1:00 PM
To: Little, John
Cc: Powlow, Albert
Subject: RE: Peloton pricing today

yes, because we’re taking market value risk on the collateral securing the synthetics.
I think that is the whole point.

From: Little, John
Sent: Wednesday, April 12, 2006 1:00 PM

Confidential Treatment Requested by Goldman Sachs

GS.MBS.E-010808605
does the termination arrangement match on your side? is there a chance you would incur unwind costs in excess of what you received from the COO?

---

**Footnote Exhibits - Page 5317**

To: Bieber, Matthew G.
Cc: Pantow, Albert

does the termination arrangement match on your side? is there a chance you would incur unwind costs in excess of what you received from the COO?

---

**From:** Bieber, Matthew G.  
**Sent:** Wednesday, April 12, 2006 12:27 PM  
**Cc:** Tuck, Michael, Bieber, Matthew G.; Pantow, Albert  
**Subject:** RE: Peloton pricing today

1. If the deal is called and there are termination payments payable to GS - those would come from default swap collateral.

2. The default swap collateral is managed by the collateral manager, with approval rights by Goldman. There is predetermined criteria as to the composition of the account, so as assets in the account may pre-pay, they will still be subject to the criteria established in the indenture.

3. Investors.

---

**From:** Tuck, Michael  
**Sent:** Wednesday, April 12, 2006 11:47 AM  
**Cc:** Tuck, Michael; Bieber, Matthew G.; Pantow, Albert  
**Subject:** RE: Peloton pricing today

Peterinna - a few questions:

1. If the equity investor calls the deal in 3 years - are there agreed upon unwind costs and what happens in terms of your sell trades (trying to determine what type of risk you have there)?

2. When default swap collateral is transferred to the COO, how much ability do you have to change the makeup and do you decide where principal paydowns are reinvested?

3. Who gets the benefit of the default swap collateral is sold above par - GS or investors?

We are currently discussing modeling/observability with the appropriate people on our end.

thanks

---

**From:** Ostrom, Peter L.  
**Sent:** Wednesday, April 12, 2006 7:56 AM  
**Cc:** Tuck, Michael; Bieber, Matthew G.  
**Subject:** Peloton pricing today

Can we agree on how we want to treat P&L on Peloton relative to the put swap? We expect P&L of over $1mm for the stop reduction in the COO premium. I propose we
Footnote Exhibits - Page 5318

separately book the put swap at close to zero (contingent MTM risk on 2yr AAA diversified portfolio where Goldman retains selection optionality seems low), but we are open to booking 'tpo in negative put cost' (i.e., $200k).

Need to have an approved view here until Turk can model the put risk for these trades going forward.

Please advise.

Confidential Treatment Requested by Goldman Sachs
Sure... give me 15 min or so... I'm on 5th floor right now

Swing by when you have a sec.

Hey Steve, this is what J and I sent out on our end. Let me know if anything is mistated or if you have any additional color to add.

The

HI Phil, Steve,

Wanted to come back with more color on the issue that was raised yesterday with regards to un booked CDO puts.

Below is a high level summary of the issue, current process, and proposed solution. This was vetted today with Steve and the desk (Sparky was part of the conversation as well).

This is being bumped up the Strata priority list in terms of getting a tradable in place for this. There is a follow up meeting next week which my team will attend as well.

I believe some of the email correspondence forwarded by Steve indicated that there were upwards of 3 dozen trades potentially unbooked. This number is actually 18. Steve we should probably log these as violations until the tradable is in place.

The bottom line on this is for the trades where this put option was not booked, Ops were not aware there was a put. It seems that although it has now come to light that this is a feature of all synthetic CDOs that we do - each Deal team on the GS CDO desk documented and communicated this differently.

Please let me know if you'd like to discuss live at some point. Apologies, I realize this is a lot of information, but wanted you to have all the facts. It might be easier for us to put together a simple diagram for you to speak to.

Mechanisms of CDO Put Option:

- For all GS underwritten Cash CDOs that have MTG Credit Default swaps in them – GS CDO desk is Buying Protection from the SPV/CDO
- The CDO Desk/Manager selects the cash bond default swap collateral (1-3 year duration & AAA rated) to coincide/watch the total notional of MTG CDS trades that GS is buying protection on.
- The SPV unless the Put Option with the GS CDO desk which effectively means:
- In the event of a CDS Credit Event, the GS trading desk will instruct the Trustee/SPV to liquidate a specific default swap collateral asset (if cash is not available) to pay GS as protection buyer on the CDS

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5320

- Ex: 1mm Credit Event has occurred then 1mm of Default Swap Collateral will need to be liquidated to cover the CE payment.
- The risk the desk is bearing is the difference the default swap collateral per value compared to the current market level. I think the risk here in terms of asset quality is low, we're basically writing a put to liquidate AAA rated securities at Par.

Current Put Option Booking Status: 22 Deals with the Put Option Booked
- 4 Deals that do have a Put Option Booked
  - For these trades, Ops know about the Put as there was a confirmation and a trade booked.
  - The confirm went through our ETR process and was executed by both the 3PV and GS
- 18 Deals that do not have a Put Option Booked:
  - For these deals, there was no mention of a Put at all at the time of closing.
  - There was no derivative confirmation
  - The Put option was embedded into the deal documents (Indenture, Offering Circular, etc... both of which are reviewed by outside counsel and GS legal as normal course of business — but are not reviewed by Operations.)
  - For these trades, an intermediation fee was being taken on the CDS trades, but no specific Put was booked in our systems.
  - The original explanation from the desk was the intermediation fee was being taken for the risks associated with standing in between the Street and the deal with no mention of the Put

Proposed Solution (draft):
- A new model will need to be created (Projected Time Frame by this Quarter’s End)
- Strata & COO Desk will assign one designated person on the project
- Once model is approved the un-booked Puts from past deals will be booked in Mtg TAP
- The un-booked Puts would be booked to reflect the risk but with 0 bps fee since the fee is already taken on the single names (mentioned above)
- Amend the existing 4 Put Options booked to the new calculator

_______________________________
Gartman, Sachs & Co.
20 Snow Street | New York, NY 10004

Confidential Treatment Requested by Goldman Sachs

GS.MBS.E-015192548
Footnote Exhibits - Page 6321

1250

AAA paper held in trust that collateralizes CDS contracts. GS writes put on these in situation where there's a credit event.

-----Original Message-----
From: Lehman, David A.
Sent: Wednesday, June 20, 2007 11:18 AM
To: Bieber, Matthew G.
Subject: RE: Default Swap Collateral

What do u mean?

David A. Lehman
Goldman, Sachs & Co.
65 Broadway, New York, NY 10004
Tel: 212-902-2927 | Fax: 212-902-1591 | Mob: 917
E-mail: david.lehman@goldman

-----Original Message-----
From: Bieber, Matthew G.
To: Chaikin, Michele; Creed, Christopher J; Ganganthry, Mahesh; Kang, Connie; Lee, Jung H.; Lehman, David A.; Lin, Shelly; Mishra, Deva R.; Sharma, Kirti; Shimunov, Roman; Siegel, Eric; Wott, Atlante
Cc: Spol, Jonathan
Subject: Default Swap Collateral

Below are the deals I recall us having significant exposure to in terms of default swap collateral. Who is responsible for each of the deals? We need to get Dan a list this morning. If there are any I'm missing, please let me know.

Adirendack I
Adirendack II
Goulde Funding Bieber
Broadwick Bieber
Hudson RG
Hudson Mezz I
Hudson Mezz II
Fortius I
Fortius II
Camber 7
Nou Bay
Point Pleasant
Timberwolf
Anderson Mezz
Altius I
Altius III
Altius IV

Confidential Treatment Requested by Golds

GS MBS-E-001912772
1251

Footnote Exhibits - Page 5322

From: Lehman, David A.
Sent: Thursday, July 19, 2007 10:44 PM
To: Bieber, Matthew G.
Subject: RE: Structured product CDO collateral

np

The cover bid for me is doing month end pricing as it fits

----Original Message----
From: Bieber, Matthew G.
Sent: Thursday, July 19, 2007 10:43 PM
To: Lehman, David A.
Subject: Re: Structured product CDO collateral

I didn't tell him you were responsible - only "now responsible for the overall business"

---- Original Message ----
From: Lehman, David A.
To: Welch, Patrick
Cc: Kifiu, Alpha; Bieber, Matthew G.
Subject: Re: Structured product CDO collateral

I am not responsible for the pricing of the collateral securities, but Bieber and I are

going to appoint someone to monitor the collateral security MTM on a regular basis and provide

you with updated pricing

Agree we need to monitor these on a regular basis

We will come back to you on this shortly

From: Welch, Patrick
Sent: Thursday, July 19, 2007 3:53 PM
To: Lehman, David A.
Cc: Kifiu, Alpha
Subject: Re: Structured product CDO collateral

David

We understand that you are responsible for marking the collateral in relation to the

below CDO’s. Is that true? If so can you please put us on your distribution list for

these. We have some sizable in the money swap positions (i.e. CDO owes us) and Credit

needs to monitor these positions vs. collateral market value.

Thanks,

Pat

From: Kifiu, Alpha
Sent: Wednesday, July 18, 2007 9:35 PM
To: Bieber, Matthew G.
Cc: Welch, Patrick
Subject: Structured product CDO collateral

Hi Matt,

From our discussion earlier today, we were able to verify the MTM exposure on

the below CDOs against what we have in our credit systems (they are in fact as large as we

Confidential Treatment Requested by Gol

GS MBS-E-001665507
Footnote Exhibits - Page 5323

mentioned. Our next step is understanding how the collateral pools are performing in each of the deals. Would you be able to give us a summary of the current marks and default writedowns for the below deals? This would help us in monitoring the collateralization in relation to our exposure from CDS.

Thanks
Hudson Mezz Funding 2006-1
Timberwolf I
Camber 7 PLC
Hudson Mezz Funding 2006-2
GSC ABS Funding 2004-30
Anderson Mezz Funding 2007-1

Goldman, Sachs & Co.
85 Broad Street | 9th Floor | New York, NY 10004
Tel: 212-992-2276 | Fax: 212-226-5913
Email: Alpha.Rifflusgs.com

Alpha Rifflu
Goldman
Credit Risk Management & Advisory Sachs

C.

Real Treatment Requested by Goldman Sachs

GS MSS-E-001666508
1253

Footnote Exhibits - Page 5324

From: Lehman, David A.
Sent: Thursday, July 12, 2007 1:15 PM
To: Bloomberg, Matthew G.
Cc: Sweeney, Michael
Subject: RE: Credit would like ABS desk to mark all default swap collateral in CDOs

Yes - What do you think anyway? Bruns?

From: Bloomberg, Matthew G.
Sent: Thursday, July 12, 2007 12:56 PM
To: Lehman, David A.
Cc: Sweeney, Michael
Subject: RE: Credit would like ABS desk to mark all default swap collateral in CDOs

I like Connie.

Possible to have someone on abs trading desk be point of contact for her with the collateral? Bruns or kahlman?

From: Lehman, David A.
Sent: Thursday, July 19, 2007 11:58 AM
To: Bloomberg, Matthew G.
Cc: Sweeney, Michael
Subject: RE: Credit would like ABS desk to mark all default swap collateral in CDOs

Let's put someone in charge of AAA collateral (including MTM each month)

Nyla or Connie?

From: Bloomberg, Matthew G.
Sent: Thursday, July 19, 2007 11:34 AM
To: Lehman, David A.
Cc: Sweeney, Michael
Subject: RE: Credit would like ABS desk to mark all default swap collateral in CDOs

I don't think it needs to be daily. They are looking at counterparty MTM exposures and are seeing hedge in the as largest ~$41 tr. Credit understands the mechanics of the fact G3 has on these assets, etc. but wants to get a sense of the MV supporting the deals obligation to pay us, if necessary.

From: Lehman, David A.
Sent: Thursday, July 19, 2007 11:25 AM
To: Bloomberg, Matthew G.
Cc: Sweeney, Michael
Subject: RE: Credit would like ABS desk to mark all default swap collateral in CDOs

I think that makes sense - Daily? Or as part of the month-end mark process?

© Copyright 2007 The Orleans Radio Group, Inc. All rights reserved. No part of this transmission, copy of which is included in this email, may be reproduced or transmitted in any form or by any means without the written permission of The Orleans Radio Group, Inc. The transmission of this email may contain confidential or privileged information. If you are not the intended recipient, please notify us immediately and delete this message. Confidential Treatment Requested by Goldman
Footnote Exhibits - Page 5325

From: Bieber, Matthew G.  
Sent: Wednesday, July 25, 2007 6:31 PM  
To: Toure, Fabrice; Egil, Jonathan; Lehman, David A.  
Cc: Ganapathy, Mahesh  
Subject: RE: Timberwolf Report

CDS across all of our transactions are in the money. We've had conversations at length with credit regarding our exposure to the default swap collateral and are setting ourselves up for weekly monitoring/price of the default swap collateral across the CDS business.

We have discretionary approval over default swap collateral, however, it will be difficult for us to take the non-reinvestment approach.

From: Toure, Fabrice  
Sent: Wednesday, July 25, 2007 6:17 PM  
To: Egil, Jonathan; Lehman, David A.; Bieber, Matthew G.  
Cc: Ganapathy, Mahesh  
Subject: RE: Timberwolf Report

We need to start monitoring M/M of the CDS collateral for the Wolf, given how much in the money the CDS are --- right now, average bid side for the AAA cash bonds is approx 66.99 - per Mahesh analysis below. Matt/Mahesh -- maybe we should look at the collateral reinvestment provisions in this deal - ideally principal proceeds on the CDS collateral should not be reinvested but I guess Greywater has discretion on this, right?

INTERNAL ONLY

Please find the requested details on the Timberwolf transaction attached.

<table>
<thead>
<tr>
<th>Timberwolf</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Original Deal Size</td>
<td>$1,000,000,000.00</td>
</tr>
<tr>
<td></td>
<td>Original CDS Notional</td>
<td>$930,000,000.00</td>
</tr>
<tr>
<td></td>
<td>Current Deal Size</td>
<td>$989,358,100.39</td>
</tr>
<tr>
<td></td>
<td>Current CDS Notional</td>
<td>$929,563,280.03</td>
</tr>
<tr>
<td></td>
<td>Original Default Swap Collateral Balance</td>
<td>$990,000,000.00</td>
</tr>
<tr>
<td></td>
<td>Current Default Swap Par</td>
<td>$881,163,827.51</td>
</tr>
<tr>
<td></td>
<td>Cash in Default Swap Collateral Acct</td>
<td>$47,431,452.49</td>
</tr>
<tr>
<td></td>
<td>Book</td>
<td>MTG020124</td>
</tr>
<tr>
<td></td>
<td>Total Mark(s) on CDS facing the deal**</td>
<td>$204,141,014.00</td>
</tr>
<tr>
<td></td>
<td>Wt Avg Mark on Default Swap Collateral*</td>
<td>$89.89</td>
</tr>
<tr>
<td>**Source: ABS trading Desk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*As of 07/25/07</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<< File: Timberwolf Report.xls >>

Confidential Treatment Requested by Goldm...  

GS MBS-E-001989091
Footnote Exhibits - Page 5327

From: Lin, Shelly
Sent: Thursday, July 26, 2007 6:19 AM
To: Siegel, Will; Siegel, Eric; Ganesapathy, Mahesh; Scales, Carly; Mishra, Deve R.; Tarantino, Jason; Kang, Connie; Sieber, Matthew G.
Subject: RE: "NEW ISSUE" 6642.197mm CBASS 2007-C87 ** TALK **

We are going to pass on this bond. Given current market conditions, we’d like to keep some cash in the default swap account.

----- Original Message ----- 
From: Shih, Will [mailto:wwshih@gs.com] 
Sent: Thursday, July 26, 2007 8:46 AM 
To: Siegel, Eric; Ganesapathy, Mahesh; Scales, Carly; Mishra, Deve R.; Tarantino, Jason; Kang, Connie; Lin, Shelly; Sieber, Matthew G. 
Subject: FW: "NEW ISSUE" 6642.197mm CBASS 2007-C87 " TALK "

Following up on approval of the 3.5mm of the A1 for the 2006-3q default swap collateral. Updated status is below.

Will Shih
GS Group
12 N 40th St., Suite 3200
New York, NY 10017
E: will.shih@gs.com.
T: 212-902-1417

This email is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Dissemination, distribution or copying of this message or the information contained herein by anyone other than the intended recipient is prohibited. This email is intended for informational purposes only and is not a solicitation, offer or recommendation regarding the purchase or sale of securities or related financial instruments. If you have received this message in error, please notify the sender by reply email and delete this message. Thank you.

*NEW ISSUE* 6642.197mm CBASS 2007-C87 " TALK "
LEAD BOOKER: Barclays Capital Co-arr G5, HSBC, NL
SERVICER: Lichten Loan Servicing

<table>
<thead>
<tr>
<th>Clix Size-mm</th>
<th>1/4/FP</th>
<th>MAL Window</th>
<th>C/E</th>
<th>BenchTalk</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-3 383.163</td>
<td>Aaa/Aaa/Aaa</td>
<td>1.00</td>
<td>1-26</td>
<td>30.75</td>
</tr>
<tr>
<td>A-2 88.950</td>
<td>Aaa/Aaa/Aaa</td>
<td>2.54</td>
<td>26-36</td>
<td>30.75</td>
</tr>
<tr>
<td>N-1 33.074</td>
<td>Aaa/Aaa/Aaa</td>
<td>5.98</td>
<td>36-72</td>
<td>25.90</td>
</tr>
<tr>
<td>N-1 23.974</td>
<td>Aaa/Aaa/Aaa</td>
<td>5.44</td>
<td>57-72</td>
<td>21.65</td>
</tr>
<tr>
<td>N-6 17.725</td>
<td>Aaa/Aaa/Aaa</td>
<td>4.60</td>
<td>52-72</td>
<td>19.05</td>
</tr>
<tr>
<td>N-5 16.021</td>
<td>Aaa/Aaa/Aaa</td>
<td>6.84</td>
<td>48-72</td>
<td>14.70</td>
</tr>
<tr>
<td>N-5 14.989</td>
<td>Aaa/Aaa/Aaa</td>
<td>6.55</td>
<td>46-72</td>
<td>14.50</td>
</tr>
<tr>
<td>N-6 13.976</td>
<td>Aaa/Aaa/Aaa</td>
<td>6.41</td>
<td>46-72</td>
<td>12.45</td>
</tr>
</tbody>
</table>

-----

Confidential Treatment Requested by Goto

Web Site & Financial Crisis
Report Footnote #2659

GS MBS-E-015232129

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01260 Fmt 6602 Sfmt 6602 PsN: PAT
SETTLE: July 31
Internet name: A7KJ
Password: barclays2007cb7
Originators >4%: Fieldstone 52.019, Household Bank 33.696, all others < than 4%. 

Confidential Treatment Requested by Goldman Sachs
From: Lehman, David A.
Sent: Monday, July 30, 2007 8:56 PM
To: Bieber, Matthew G.
Subject: RE: Catch up on Default Swap Collateral

10 mins

From: Bieber, Matthew G.
Sent: Monday, July 30, 2007 4:46 PM
To: Lehman, David A.
Subject: Catch up on Default Swap Collateral

Have gotten several requests today for reinvestment (Greywolf on TWOLF and TCW on DS7). Would like to sit down this evening to discuss how we're going to respond as this comes up. Convin been chasing this down - but has yet to connect.

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com/legal/copyright.html for important risk disclosure, notices of license and other terms and conditions relating to the e-mail and any related or associated information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please refer us immediately and delete this message. See http://www.gs.com/legal/confidential.html for further information on confidentiality and the risks of non-secure electronic communications. If you cannot access these links, please notify us by reply message and we will send the message to you.
Footnote Exhibits - Page 5330

From: Bieber, Matthew G.
Sent: Monday, August 06, 2007 7:22 PM
To: Egol, Jonathan
Subject: FW: Default Swap Collateral
Attachments: Default Swap Collateral Master File 08.03.07.xls

fyi

From: Yang, Corrie
Sent: Monday, August 06, 2007 6:02 PM
To: Bieber, Matthew G.; Caronna, Nathan
CC: Bieber, Matthew G.; Caronna, Nathan
Subject: Default Swap Collateral

David,

Please find attached calculations of IC ratios with and without investing in AAA securities for CDS Collateral. Let us know when you have some time to discuss. Aladdin is asking for approval on another purchase of assets for CDS collateral. Would like to discuss with you and finalize our approach before getting back to them.

Thanks,
Corrie

Default Swap Collateral Master...
### Default Swap Collateral Summary

<table>
<thead>
<tr>
<th>Deal Name</th>
<th>Face of AAA rated collateral</th>
<th>Cash in Acc</th>
<th>WAS Spread</th>
<th>Interest on Cash LIBOR</th>
<th>Spread to LIBOR</th>
<th>Model CDS Collateral Spread</th>
<th>Cash %</th>
<th>Rating Agency %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houy Bay</td>
<td>$ 121,883,096.38</td>
<td>$ 4,090,906.05</td>
<td>7.50%</td>
<td>4.865 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Altius 2005-1</td>
<td>$ 121,883,096.38</td>
<td>$ 4,090,906.05</td>
<td>7.50%</td>
<td>4.865 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Altius IV</td>
<td>$ 278,160,096.38</td>
<td>$ 8,495,906.05</td>
<td>18.42%</td>
<td>4.865 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Broadrigg</td>
<td>$ 455,598,096.38</td>
<td>$ 14,250,906.05</td>
<td>26.14%</td>
<td>4.910 5.321</td>
<td>-0.411</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Hudson Hold</td>
<td>$ 749,905,096.38</td>
<td>$ 16,195,906.05</td>
<td>29.76%</td>
<td>4.910 5.321</td>
<td>-0.411</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Hudson Hold 08-3</td>
<td>$ 1,250,000,000.00</td>
<td>$ 1,250,000.00</td>
<td>10.14%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Anderson Hold 2007-1</td>
<td>$ 1,200,000,000.00</td>
<td>$ 1,091,906.05</td>
<td>10.24%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Point Pleasant Funding 2007-1</td>
<td>$ 251,905,000.00</td>
<td>$ 28,454,906.05</td>
<td>12.33%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>DSC 2005-3g</td>
<td>$ 267,092,000.00</td>
<td>$ 5,350,906.05</td>
<td>23.34%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>DSC Square 7</td>
<td>$ 109,000,000.00</td>
<td>$ 1,829,000.00</td>
<td>11.76%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Adrondeak 2005-1</td>
<td>$ 106,000,000.00</td>
<td>$ 0,000.00</td>
<td>11.76%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Adrondeak 2005-2</td>
<td>$ 102,902,000.00</td>
<td>$ 4,385,906.05</td>
<td>12.33%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>DSC Square 8</td>
<td>$ 85,000,000.00</td>
<td>$ 0,000.00</td>
<td>11.76%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Cambridge 7</td>
<td>$ 82,000,000.00</td>
<td>$ 9,719,000.00</td>
<td>13.51%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Coldiretti</td>
<td>$ 481,500,000.00</td>
<td>$ 4,385,906.05</td>
<td>12.33%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Timberwolf</td>
<td>$ 481,500,000.00</td>
<td>$ 4,385,906.05</td>
<td>12.33%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Fortis II</td>
<td>$ 481,500,000.00</td>
<td>$ 4,385,906.05</td>
<td>12.33%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>Altius III</td>
<td>$ 481,500,000.00</td>
<td>$ 4,385,906.05</td>
<td>12.33%</td>
<td>4.910 5.321</td>
<td>-0.336</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
<tr>
<td>West Coast</td>
<td>$ 320,000,000.00</td>
<td>$ 5,824,000.00</td>
<td>25.17%</td>
<td>4.910 5.321</td>
<td>-0.411</td>
<td>L</td>
<td>0.25</td>
<td>L-1</td>
</tr>
</tbody>
</table>
### Default Swap Collateral Summary

<table>
<thead>
<tr>
<th>Deal Name</th>
<th>100% Cash Case ($ difference)</th>
<th>Name of Test</th>
<th>IC Demonstrator</th>
<th>Cushion [%]</th>
<th>Cushion [Real]</th>
<th>Trigger</th>
<th>Name of Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston Bay</td>
<td>$ 120,309.49</td>
<td>Class A/B</td>
<td>$ 5,631,088.23</td>
<td>11.07%</td>
<td>6.59%</td>
<td>105.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Altus 2005-1</td>
<td>$ 124,458.85</td>
<td>Class A/B</td>
<td>$ 6,929,071.98</td>
<td>16.79%</td>
<td>17.36%</td>
<td>101.50% Class C</td>
<td></td>
</tr>
<tr>
<td>Altus IV</td>
<td>$ 491,075.80</td>
<td>Class A/B</td>
<td>$ 9,953,616.22</td>
<td>37.00%</td>
<td>29.93%</td>
<td>101.50% Class C</td>
<td></td>
</tr>
<tr>
<td>Broadstreet</td>
<td>$ 661,091.21</td>
<td>No IC Test</td>
<td></td>
<td></td>
<td></td>
<td>No IC Test</td>
<td></td>
</tr>
<tr>
<td>Hudson HQ</td>
<td>$ 125,318.77</td>
<td>Class A/B</td>
<td>$ 7,612,008.34</td>
<td>16.44%</td>
<td>8.79%</td>
<td>102.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Hudson Metz 25-1</td>
<td>$ 975,061.82</td>
<td>No IC Test</td>
<td></td>
<td></td>
<td></td>
<td>No IC Test</td>
<td></td>
</tr>
<tr>
<td>Hudson Metz 30-2</td>
<td>$ 436,073.01</td>
<td>No IC Test</td>
<td></td>
<td></td>
<td></td>
<td>No IC Test</td>
<td></td>
</tr>
<tr>
<td>Anderson Metz 2007-1</td>
<td>$ 339,617.63</td>
<td>No IC Test</td>
<td></td>
<td></td>
<td></td>
<td>No IC Test</td>
<td></td>
</tr>
<tr>
<td>Point Pleasant Funding 2007-1</td>
<td>$ 620,666.28</td>
<td>No IC Test</td>
<td></td>
<td></td>
<td></td>
<td>No IC Test</td>
<td></td>
</tr>
<tr>
<td>GSC ABS 2005-3g</td>
<td>$ 370,462.99</td>
<td>Class A/B</td>
<td>$ 5,540,392.22</td>
<td>11.65%</td>
<td>6.39%</td>
<td>102.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Davis Square 7</td>
<td>$ 152,840.78</td>
<td>Class A/B</td>
<td>$ 9,259,030.00</td>
<td>20.89%</td>
<td>10.21%</td>
<td>102.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Ardonack 2005-1</td>
<td>$ 292,355.64</td>
<td>Class A/B</td>
<td>$ 8,278,821.48</td>
<td>17.14%</td>
<td>13.52%</td>
<td>105.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Ardonack 2000-2</td>
<td>$ 140,908.33</td>
<td>Class A/B</td>
<td>$ 6,091,440.78</td>
<td>16.49%</td>
<td>14.43%</td>
<td>105.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Davis Square 8</td>
<td>$ 11,790.37</td>
<td>Class A/B</td>
<td>$ 4,995,607.61</td>
<td>8.71%</td>
<td>8.58%</td>
<td>102.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Camden 7</td>
<td>$ 1,452,001.36</td>
<td>Class A/B</td>
<td>$ 2,477,182.33</td>
<td>42.80%</td>
<td>2.49%</td>
<td>102.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Cojdbcde</td>
<td>$ 72,349.91</td>
<td>Class A/B</td>
<td>$ 1,548,983.58</td>
<td>25.65%</td>
<td>24.58%</td>
<td>112.00% Class GD</td>
<td></td>
</tr>
<tr>
<td>Titenbeck</td>
<td>$ 616,527.92</td>
<td>No IC Test</td>
<td></td>
<td></td>
<td></td>
<td>No IC Test</td>
<td></td>
</tr>
<tr>
<td>Fokken II</td>
<td>$ 152,486.52</td>
<td>Class A/B</td>
<td>$ 1,840,672.06</td>
<td>33.55%</td>
<td>47.01%</td>
<td>114.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Fokken I</td>
<td>$ 477,090.18</td>
<td>Class A/B</td>
<td>$ 2,312,806.29</td>
<td>100.56%</td>
<td>79.91%</td>
<td>101.00% Class C</td>
<td></td>
</tr>
<tr>
<td>Altus III</td>
<td>$ 70,345.74</td>
<td>Class A/B</td>
<td>$ 9,099,722.65</td>
<td>32.84%</td>
<td>34.29%</td>
<td>101.00% Class C</td>
<td></td>
</tr>
<tr>
<td>West Coast</td>
<td>$ 527,282.77</td>
<td>Class A/B</td>
<td>$ 12,401,317.00</td>
<td>12.55%</td>
<td>8.22%</td>
<td>102.00% Class C</td>
<td></td>
</tr>
</tbody>
</table>
### Default Swap Collateral

#### Summary

<table>
<thead>
<tr>
<th>Deal Name</th>
<th>IC Denominator</th>
<th>Cushion (Old)</th>
<th>Cushion (New)</th>
<th>Trigger</th>
<th>Name of Test</th>
<th>IC Denominator</th>
<th>Cushion (Old)</th>
<th>Cushion (New)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hudson Bay</td>
<td>8,090,010.73</td>
<td>8.91%</td>
<td>7.19%</td>
<td>101.00%</td>
<td>Class D</td>
<td>7,549,798.34</td>
<td>4.00%</td>
<td>2.30%</td>
</tr>
<tr>
<td>Allen IV</td>
<td>10,076,100.74</td>
<td>9.08%</td>
<td>4.65%</td>
<td>100.00%</td>
<td>No IC Test</td>
<td>8,242,161.01</td>
<td>17.00%</td>
<td>11.00%</td>
</tr>
<tr>
<td>Broadrick</td>
<td>7,654,561.60</td>
<td>26.00%</td>
<td>19.57%</td>
<td>100.00%</td>
<td>Class D</td>
<td>8,247,006.61</td>
<td>3.77%</td>
<td>2.25%</td>
</tr>
<tr>
<td>Hudson HG</td>
<td>7,907,627.79</td>
<td>0.42%</td>
<td>4.65%</td>
<td>101.00%</td>
<td>Class D</td>
<td>8,247,006.61</td>
<td>3.77%</td>
<td>2.25%</td>
</tr>
<tr>
<td>Hudson Maxx 06-1</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>Hudson Maxx 06-2</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>Anderson Maxx 2007-1</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>Peak Pleasant Funding 2007-1</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>GSC ABS 2006-1</td>
<td>8,765,767.11</td>
<td>2.87%</td>
<td>3.22%</td>
<td>101.00%</td>
<td>Class D</td>
<td>8,768,767.11</td>
<td>9.87%</td>
<td>4.22%</td>
</tr>
<tr>
<td>Dans Square 7</td>
<td>6,477,242.50</td>
<td>19.00%</td>
<td>17.39%</td>
<td>101.00%</td>
<td>Class D</td>
<td>6,922,741.04</td>
<td>14.61%</td>
<td>13.07%</td>
</tr>
<tr>
<td>Adirondack 2005-1</td>
<td>8,994,252.64</td>
<td>7.58%</td>
<td>4.09%</td>
<td>102.00%</td>
<td>Class D</td>
<td>7,816,030.39</td>
<td>4.71%</td>
<td>2.92%</td>
</tr>
<tr>
<td>Adirondack 2005-2</td>
<td>7,323,066.78</td>
<td>10.83%</td>
<td>8.92%</td>
<td>102.00%</td>
<td>Class D</td>
<td>9,687,031.69</td>
<td>4.43%</td>
<td>3.51%</td>
</tr>
<tr>
<td>Dans Square 6</td>
<td>9,106,301.81</td>
<td>7.30%</td>
<td>2.22%</td>
<td>101.00%</td>
<td>Class D</td>
<td>9,687,031.69</td>
<td>3.43%</td>
<td>3.11%</td>
</tr>
<tr>
<td>Canover 7</td>
<td>6,554,625.23</td>
<td>25.11%</td>
<td>12.34%</td>
<td>101.00%</td>
<td>Class D</td>
<td>4,305,459.23</td>
<td>25.92%</td>
<td>17.64%</td>
</tr>
<tr>
<td>Ontario</td>
<td>6,253,648.33</td>
<td>14.11%</td>
<td>12.72%</td>
<td>106.00%</td>
<td>Class D</td>
<td>2,126,350.52</td>
<td>33.75%</td>
<td>28.00%</td>
</tr>
<tr>
<td>Timberwolf</td>
<td>1,943,960.74</td>
<td>49.36%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>Class D</td>
<td>2,126,350.52</td>
<td>33.75%</td>
<td>28.00%</td>
</tr>
<tr>
<td>Fortus I</td>
<td>3,202,787.11</td>
<td>45.54%</td>
<td>30.84%</td>
<td>100.00%</td>
<td>Class D</td>
<td>3,202,787.11</td>
<td>45.54%</td>
<td>30.84%</td>
</tr>
<tr>
<td>Allen II</td>
<td>6,393,247.65</td>
<td>30.01%</td>
<td>29.10%</td>
<td>100.00%</td>
<td>Class D</td>
<td>8,790,930.54</td>
<td>24.12%</td>
<td>23.39%</td>
</tr>
<tr>
<td>West Coast</td>
<td>12,747,028.25</td>
<td>10.44%</td>
<td>8.23%</td>
<td>101.00%</td>
<td>Class D</td>
<td>13,456,452.58</td>
<td>8.57%</td>
<td>1.58%</td>
</tr>
</tbody>
</table>
As discussed, we have updated the default swap collateral file with WALA's, WALA Mark by Deal and Asset Type (Please note marks on CMOs are yet to be received).

Default Swap Collateral Masters...

Thanks

Mahesh Ganesalingam
CDO Structuring/Marketing & Principal Investments
Fixed Income Derivatives and Structured Finance Division
Citigroup Inc.
Ph: +1 212-906-6362
Fax: +1 212-906-6001
mahesh.ganesalingam@citi.com
Footnote Exhibits - Page 5342

<table>
<thead>
<tr>
<th>Deal Name</th>
<th>Face of AAA rated collateral</th>
<th>Cash in Acc</th>
<th>YIELD</th>
<th>WAS Spread</th>
<th>YIELD Price</th>
<th>Interest</th>
<th>LIBOR</th>
<th>Spread to LIBOR</th>
<th>Change (Data)</th>
<th>100% Cash Cover ($)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Next Deal</td>
<td>127.1  3,835.47</td>
<td>740.00</td>
<td>1.50</td>
<td>15.53</td>
<td>398.38</td>
<td>4,905</td>
<td>5,321</td>
<td>-0.326</td>
<td>14.98</td>
<td>55,912,606.7</td>
<td>0.271</td>
</tr>
<tr>
<td>Pelican Funding 2007-1</td>
<td>127.1  3,835.47</td>
<td>740.00</td>
<td>1.50</td>
<td>15.53</td>
<td>398.38</td>
<td>4,905</td>
<td>5,321</td>
<td>-0.326</td>
<td>14.98</td>
<td>55,912,606.7</td>
<td>0.271</td>
</tr>
<tr>
<td>Pacific Funding 2007-1</td>
<td>127.1  3,835.47</td>
<td>740.00</td>
<td>1.50</td>
<td>15.53</td>
<td>398.38</td>
<td>4,905</td>
<td>5,321</td>
<td>-0.326</td>
<td>14.98</td>
<td>55,912,606.7</td>
<td>0.271</td>
</tr>
<tr>
<td>Pacific Funding 2007-2</td>
<td>127.1  3,835.47</td>
<td>740.00</td>
<td>1.50</td>
<td>15.53</td>
<td>398.38</td>
<td>4,905</td>
<td>5,321</td>
<td>-0.326</td>
<td>14.98</td>
<td>55,912,606.7</td>
<td>0.271</td>
</tr>
<tr>
<td>Pacific Funding 2007-3</td>
<td>127.1  3,835.47</td>
<td>740.00</td>
<td>1.50</td>
<td>15.53</td>
<td>398.38</td>
<td>4,905</td>
<td>5,321</td>
<td>-0.326</td>
<td>14.98</td>
<td>55,912,606.7</td>
<td>0.271</td>
</tr>
<tr>
<td>Pacific Funding 2007-4</td>
<td>127.1  3,835.47</td>
<td>740.00</td>
<td>1.50</td>
<td>15.53</td>
<td>398.38</td>
<td>4,905</td>
<td>5,321</td>
<td>-0.326</td>
<td>14.98</td>
<td>55,912,606.7</td>
<td>0.271</td>
</tr>
<tr>
<td>Pacific Funding 2007-5</td>
<td>127.1  3,835.47</td>
<td>740.00</td>
<td>1.50</td>
<td>15.53</td>
<td>398.38</td>
<td>4,905</td>
<td>5,321</td>
<td>-0.326</td>
<td>14.98</td>
<td>55,912,606.7</td>
<td>0.271</td>
</tr>
<tr>
<td>Pacific Funding 2007-6</td>
<td>127.1  3,835.47</td>
<td>740.00</td>
<td>1.50</td>
<td>15.53</td>
<td>398.38</td>
<td>4,905</td>
<td>5,321</td>
<td>-0.326</td>
<td>14.98</td>
<td>55,912,606.7</td>
<td>0.271</td>
</tr>
</tbody>
</table>

West Coast: 520,118,216.14  5,034,878.47  3.22  27.17  720.54  4,810  5,321  -0.511  34.68  $ 527,282.72

% of Portfolio: 89.87

<table>
<thead>
<tr>
<th>Defect Type</th>
<th>Name of Test</th>
<th>Trigger</th>
<th>Name of Test</th>
<th>Count</th>
<th>Percent</th>
<th>Count</th>
<th>Percent</th>
<th>Count</th>
<th>Percent</th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class G</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class H</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Summary**

- Defect Type: [List of defect types]
- Name of Test: [List of names of tests]
- Trigger: [List of triggers]
- Count: [List of counts]
- Percent: [List of percentages]

*Note: The table contains detailed data for various defect types, names of tests, triggers, counts, and percentages.*
<table>
<thead>
<tr>
<th>Class</th>
<th>N of Violations Actually Noticed</th>
<th>N of Violations Actually Noted</th>
<th>N of Violations Noted and Corrected</th>
<th>N of Violations Noted but Not Corrected</th>
<th>N of Actions Taken</th>
<th>Projected N of Actions to Be Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Footnote Exhibits - Page 5347

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABS</td>
<td>87,936,082.28</td>
<td>96.90</td>
</tr>
<tr>
<td>AUTOS</td>
<td>92,950,000.00</td>
<td>99.19</td>
</tr>
<tr>
<td>CARDS</td>
<td>20,000,000.00</td>
<td>98.80</td>
</tr>
<tr>
<td>CDO</td>
<td>281,457,954.60</td>
<td>92.83</td>
</tr>
<tr>
<td>CMO</td>
<td>1,113,446,705.58</td>
<td>-</td>
</tr>
<tr>
<td>COMMERCIAL</td>
<td>402,160,034.30</td>
<td>100.00</td>
</tr>
<tr>
<td>HOME EQUITY</td>
<td>4,709,275,668.94</td>
<td>95.22</td>
</tr>
<tr>
<td>PLANES</td>
<td>39,681,993.03</td>
<td>97.00</td>
</tr>
<tr>
<td>STRUCTURE NOTE</td>
<td>5,402,431.47</td>
<td>99.00</td>
</tr>
</tbody>
</table>

Yet to be marked

GS MBS-E-001930307
From: Ganapathy, Mahesh
Sent: Sunday, August 12, 2007 5:59 PM
To: Lehman, David A.; Bieber, Matthew G.
Cc: Egel, Jonathan
Subject: RE: Default Swap Collateral

Please find attached - Have included WA CDS spread (trade marked on TAPI), WA CDS NPV and Total CDS NPV. Please let me know if there are any questions. Reachable on cell also 999 282.

Thanks,
Mahesh

---Refunded by the Permanent Subcommittee on Investigations---

From: Lehman, David A.
Sent: Sunday, August 12, 2007 6:26 PM
To: Ganapathy, Mahesh; Bieber, Matthew G.
Cc: Egel, Jonathan
Subject: RE: Default Swap Collateral

Send over what you have

From: Ganapathy, Mahesh
Sent: Sunday, August 12, 2007 4:25 PM
To: Lehman, David A.; Bieber, Matthew G.
Subject: Default Swap Collateral

David Matt,

I have added these fields - WA spread on the CDS facing the deals and NPV (WA and total) as discussed on Friday. I can send over what I have done so far if you prefer; if not I can add in the remaining marks on tomorrow morning and send in a completed version. Please let me know.

Thanks

Mahesh Ganapathy
CDO/Monitoring/Marketing & Principal Investments
Credit Spread/Commodity and CDO Potential Division
Credit Suisse, Barings & Co.
Ph: 954-591-0449
mahesh.ganapathy@credit-suisse.com

Confidential Treatment Requested by Goldman

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #341

GS MBS-E-001930343
<table>
<thead>
<tr>
<th>CMO Marks</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>52521KK2</td>
<td>LXS 2006-4N A1B1</td>
<td>90.00</td>
</tr>
<tr>
<td>86362QA1A</td>
<td>SASC 2007-GE1 A1</td>
<td>97.00</td>
</tr>
<tr>
<td>86360XX18</td>
<td>SASC 2006-GE1 A1</td>
<td>97.00</td>
</tr>
<tr>
<td>32025H2B</td>
<td>FFML 2007-FFC A2A</td>
<td>90.00</td>
</tr>
<tr>
<td>84251YAD0</td>
<td>LBMLT 2006-10 2A</td>
<td>92.00</td>
</tr>
<tr>
<td>40431TA1A</td>
<td>HASC 2007-NC1 A1</td>
<td>97.00</td>
</tr>
<tr>
<td>57644DA1A</td>
<td>MSL 2005-1 A</td>
<td>60.00</td>
</tr>
<tr>
<td>86359DP1</td>
<td>SASC 2005-S2 A2</td>
<td>85.00</td>
</tr>
<tr>
<td>02980TC15</td>
<td>AHM 2004-4 TA</td>
<td>86.00</td>
</tr>
<tr>
<td>57644DA1A</td>
<td>MSL 2006-1 A HOMEQ</td>
<td>60.00</td>
</tr>
<tr>
<td>07401RA1A</td>
<td>BSMF 2007-SL2 1A 30yr</td>
<td>70.00</td>
</tr>
<tr>
<td>643523A8</td>
<td>NCAMT 2006-ALT2 AV 30yr</td>
<td>97.50</td>
</tr>
<tr>
<td>69337MA1A</td>
<td>PHHAM 2007-3 A1 30YR</td>
<td>65.00</td>
</tr>
<tr>
<td>69337MA1B</td>
<td>PHHAM 2007-3 A2 30YR</td>
<td>90.00</td>
</tr>
<tr>
<td>466275AB0</td>
<td>JPALT 2007-S1 A2 30yr</td>
<td>70.00</td>
</tr>
<tr>
<td>07400YAA4</td>
<td>BSMF 2006-SL2 A 30YR</td>
<td>70.00</td>
</tr>
</tbody>
</table>
### Counterparty on TAP

<table>
<thead>
<tr>
<th>Deal Name</th>
<th>WA CDS Spread</th>
<th>WA NPV</th>
<th>Total NPV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adrondeck 2005-1</td>
<td>493.0391452</td>
<td>1,037,529.80</td>
<td>20,021,849.00</td>
</tr>
<tr>
<td>Adrondeck 2005-2</td>
<td>474.3334652</td>
<td>995,183.69</td>
<td>8,078,386.00</td>
</tr>
<tr>
<td>Altius 2005-1</td>
<td>58.129</td>
<td>115,384.24</td>
<td>1,013,124.00</td>
</tr>
<tr>
<td>Altius 3</td>
<td>373.7619652</td>
<td>991,824.89</td>
<td>12,383,918.00</td>
</tr>
<tr>
<td>Anderson Mezz 2007-1</td>
<td>1037.271231</td>
<td>1,748,688.43</td>
<td>106,546,835.00</td>
</tr>
<tr>
<td>Broadwick</td>
<td>1026.520044</td>
<td>850,486.33</td>
<td>43,565,696.00</td>
</tr>
<tr>
<td>Cander 7</td>
<td>1468.522847</td>
<td>2,047,217.02</td>
<td>277,161,406.00</td>
</tr>
<tr>
<td>Cooledge</td>
<td>160.0664184</td>
<td>82,585.79</td>
<td>666,932.00</td>
</tr>
<tr>
<td>Davis Square 7</td>
<td>1724.633963</td>
<td>4,079,279.74</td>
<td>70,444,162.00</td>
</tr>
<tr>
<td>Davis Square 9</td>
<td>1759.7</td>
<td>8,007,157.00</td>
<td>8,007,157.00</td>
</tr>
<tr>
<td>Fortius I</td>
<td>521.5407462</td>
<td>724,899.54</td>
<td>52,731,244.00</td>
</tr>
<tr>
<td>Fortius II</td>
<td>1200.783706</td>
<td>1,811,116.62</td>
<td>45,825,674.00</td>
</tr>
<tr>
<td>Fortius III</td>
<td>1357.454269</td>
<td>5,598,111.03</td>
<td>130,871,955.00</td>
</tr>
<tr>
<td>GSC ABS 2005-3</td>
<td>544.63</td>
<td>1,028,586.10</td>
<td>18,265,081.00</td>
</tr>
<tr>
<td>Hout Bay 2006-1 LEE</td>
<td>1351.761725</td>
<td>8,406,896.15</td>
<td>46,139,420.00</td>
</tr>
<tr>
<td>Hudson Mezz 06-1</td>
<td>1899.023943</td>
<td>5,820,836.09</td>
<td>800,083,041.00</td>
</tr>
<tr>
<td>Timberwolf</td>
<td>1769.583846</td>
<td>7,245,314.07</td>
<td>512,282,574.00</td>
</tr>
<tr>
<td>West Coast</td>
<td>520.328087</td>
<td>2,446,404.51</td>
<td>48,291,782.00</td>
</tr>
<tr>
<td>Altius IV</td>
<td>521.3007751</td>
<td>1,913,280.88</td>
<td>55,342,311.00</td>
</tr>
<tr>
<td>Point Passant Funding 2007-1</td>
<td>1764.245289</td>
<td>5,287,113.18</td>
<td>301,130,068.00</td>
</tr>
<tr>
<td>Hudson Mezz 09-2</td>
<td>2245.58375</td>
<td>2,250,102.25</td>
<td>182,806,420.00</td>
</tr>
<tr>
<td></td>
<td><strong>1,431.58</strong></td>
<td><strong>3,906,525.76</strong></td>
<td><strong>2,834,380,052.00</strong></td>
</tr>
<tr>
<td>From:</td>
<td>Ganapathy, Mahesh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>-------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sent:</td>
<td>Monday, August 13, 2007 4:52 PM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To:</td>
<td>Steber, Matthew G.; Lehman, David A.; Edel, Jonathan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cc:</td>
<td>Kang, Connie</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subject:</td>
<td>Default Swap Collateral File with Marks updated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attachments:</td>
<td>Default Swap Collateral Master File 06.13.07v3.xls</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Have added Total Notional of the CDS trades as well. Also, just to clarify, Hudson Mezz 1 and Point Pleasant had Unfunded Super Seniors. In the case of Point Pleasant, we face (XIS) on 700mm approx of CDS trades that we were shorted to the deal directly by (XIS) and the default Swap collateral per at closing = $1.0050 ~ 402.4mm $402.1mm.

Thanks

<table>
<thead>
<tr>
<th>From:</th>
<th>Ganapathy, Mahesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent:</td>
<td>Monday, August 13, 2007 12:23 PM</td>
</tr>
<tr>
<td>To:</td>
<td>Lehman, David A.; Steber, Matthew G.; Edel, Jonathan</td>
</tr>
<tr>
<td>Cc:</td>
<td>Kang, Connie</td>
</tr>
<tr>
<td>Subject:</td>
<td>Default Swap Collateral File with Marks updated</td>
</tr>
</tbody>
</table>

David/ Matthew

Please find attached-I have updated the marks on the underlying bonds. Please let me know if there are any questions.

<< File: Default Swap Collateral Master File 06.13.07v2.xls >>

Thanks,

Mahesh Ganapathy
CDO Structuring, Marketing & Principal Investments
Fixed Income/Credit and Commodity Division
Goldman, Sachs & Co.
Ph: 212-907-4595
Fax: 212-907-8253
mahesh.ganapathy@goldman.com

Confidential Treatment Requested by Goldman Sachs
## Default Swap Collateral
### Deal Summary

<table>
<thead>
<tr>
<th>Deal Name</th>
<th>Trigger</th>
<th>Maturity of Test</th>
<th>Cushion (Basis)</th>
<th>Trigger</th>
<th>Name of Test</th>
<th>Cushion (Basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoot Bay</td>
<td>100.00%</td>
<td>Class C</td>
<td>7.19%</td>
<td>101.00%</td>
<td>Class D</td>
<td>2.20%</td>
</tr>
<tr>
<td>Ariba 2006-1</td>
<td>100.00%</td>
<td>Class C</td>
<td>4.83%</td>
<td>102.00%</td>
<td>Class D</td>
<td>11.00%</td>
</tr>
<tr>
<td>Ariba 1Y</td>
<td>101.00%</td>
<td>Class C</td>
<td>13.07%</td>
<td>102.00%</td>
<td>Class D</td>
<td>2.20%</td>
</tr>
<tr>
<td>Spirewood</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>Hudson HS</td>
<td>102.00%</td>
<td>Class C</td>
<td>4.83%</td>
<td>102.00%</td>
<td>Class D</td>
<td>2.20%</td>
</tr>
<tr>
<td>Hudson Mask 04-3</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>Anderson Mask 07-1</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>Point Pleasant Funding 2007-1</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>GZC 2006-3</td>
<td>100.00%</td>
<td>Class C</td>
<td>5.73%</td>
<td>101.00%</td>
<td>Class D</td>
<td>13.07%</td>
</tr>
<tr>
<td>GZC 2006-7</td>
<td>102.00%</td>
<td>Class C</td>
<td>17.30%</td>
<td>101.00%</td>
<td>Class D</td>
<td>2.50%</td>
</tr>
<tr>
<td>Adironode 2006-1</td>
<td>100.00%</td>
<td>Class C</td>
<td>8.52%</td>
<td>102.00%</td>
<td>Class D</td>
<td>2.50%</td>
</tr>
<tr>
<td>Adironode 2006-2</td>
<td>100.00%</td>
<td>Class C</td>
<td>8.52%</td>
<td>102.00%</td>
<td>Class D</td>
<td>2.50%</td>
</tr>
<tr>
<td>GZC 2006-7</td>
<td>102.00%</td>
<td>Class C</td>
<td>17.30%</td>
<td>101.00%</td>
<td>Class D</td>
<td>15.71%</td>
</tr>
<tr>
<td>GZC 2006-3</td>
<td>102.00%</td>
<td>Class C</td>
<td>17.30%</td>
<td>102.00%</td>
<td>Class D</td>
<td>17.30%</td>
</tr>
<tr>
<td>Timberwolf</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
<td>No IC Test</td>
</tr>
<tr>
<td>FortAlt 1</td>
<td>101.00%</td>
<td>Class C</td>
<td>30.64%</td>
<td>100.00%</td>
<td>Class D</td>
<td>23.00%</td>
</tr>
<tr>
<td>FortAlt 1</td>
<td>101.00%</td>
<td>Class C</td>
<td>30.64%</td>
<td>100.00%</td>
<td>Class D</td>
<td>23.00%</td>
</tr>
<tr>
<td>West Coast</td>
<td>102.00%</td>
<td>Class C</td>
<td>6.23%</td>
<td>101.00%</td>
<td>Class D</td>
<td>1.80%</td>
</tr>
</tbody>
</table>

### MnIPA\&s Default (Min 12.5\%)

<table>
<thead>
<tr>
<th>Default</th>
<th>Cushion (Basis)</th>
<th>Class</th>
<th>Trigger</th>
<th>Name of Test</th>
<th>Cushion (Basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MinIPA&amp;s Default</td>
<td>12.50%</td>
<td>Class</td>
<td>101.00%</td>
<td>Class D</td>
<td>23.00%</td>
</tr>
</tbody>
</table>

### MtIPA\&s Default (Min 12.5\%)

<table>
<thead>
<tr>
<th>Default</th>
<th>Cushion (Basis)</th>
<th>Class</th>
<th>Trigger</th>
<th>Name of Test</th>
<th>Cushion (Basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MtIPA&amp;s Default</td>
<td>12.50%</td>
<td>Class</td>
<td>101.00%</td>
<td>Class D</td>
<td>23.00%</td>
</tr>
</tbody>
</table>
Footnote Exhibits - Page 5374

From: Lehman, David A.
Send: Tuesday, August 21, 2007 9:30 PM
To: Lehman, David A.
Subject: RE: Default Swap Collateral Reinvestment

Ok.

From: Lehman, David A.
Send: Tuesday, August 21, 2007 9:30 PM
To: Lehman, David A.
Subject: RE: Default Swap Collateral Reinvestment

Ok. I think we should be proactive in letting mangers know, then, rather than waiting for them to come to us for approval and then denying. There are a couple of one-off situations which we should go through tomorrow morning.

Nothing further. I think our gameplan remains to build cash for now.

From: Lehman, David A.
Send: Tuesday, August 21, 2007 9:21 AM
To: Lehman, David A.
Subject: Default Swap Collateral Reinvestment

Was there any further discussion over the past few days on what we're going to be doing? With the 25th coming up, I suspect a bunch of managers are going to be looking to put cash to work....
From: Case, Benjamin  
Sent: Monday, September 24, 2007 2:59 PM  
To: Bieber, Matthew G.; Lehman, David A.  
Subject: FW: CDS Collateral re-investment  

Any thoughts on CMBS floaters?  

From: Marty Devito [mailto:Mdevito@sidcoincapital.com]  
Sent: Monday, September 24, 2007 5:45 PM  
To: Case, Benjamin  
Cc: Anatoly Burman; Nunoio Menone  
Subject: RE: CDS Collateral re-investment  

Ben - While I agree the ability for a fair amount of the floating rate loans in CMBS to refi in here is limited, are there any other reasons you left CMBS off the list??  

MO  
CMBS Guy  

From: Case, Benjamin [mailto:Benjamin[dot]Case@gs.com]  
Sent: Monday, September 24, 2007 4:17 PM  
To: Marty Devito  
Cc: Pinkel, Steve; Anatoly Burman; Nunoio Menone; Shirley Cho; Bieber, Matthew G.; Lehman, David A.; Shamir, Roman; Muns, Dave R.; Kang, Connie  
Subject: RE: CDS Collateral re-investment  

Marty,  

Good speaking to you today. As discussed -  

NABBS, DASS, DOCMP, JPMAC, WHTET  
CARDS: AMCA, RGST, BOIT, MBNA, CCOT, CHAIT, DONT  
AUTO: DPRAI, DOCMT, FORD, HAROT, HOMOT, NALT, USAOT  
STUDENT LOANS: ACCS8, GODE, K3L, W3L, BLM (CPEFL)  

Generally speaking, looking at securities that are currently amortizing with average lives of less than 2 years.  

Also, please make sure Matt Bieber is included in trade-by-trade approval requests.  

Regards,  
Ben  

From: Marty Devito [mailto:Mdevito@sidcoincapital.com]  
Sent: Friday, September 21, 2007 2:12 PM  
To: Case, Benjamin  
Cc: Pinkel, Steve; Anatoly Burman; Nunoio Menone; Shirley Cho  
Subject: CDS Collateral re-investment  

Ben -  

We, at the direction of Connie and Roman, have not been reinvesting CDS collateral as it matures.
We've brought the topic up a few times over the past few months with your team. Last I heard, you were re-evaluating the market, and would come back to us with a breakdown of acceptable replacements. As the cash balances continue to grow, I'd like to address this issue in advance, as the amount of cash drag is beginning to become meaningful.

Thank you in advance.

MD

Martin DeVito
Senior Managing Director
Aladdin Capital Management
Six Landmark Square
Stamford, Connecticut 06901
(203) 497-6731

NOTE: The information in this e-mail is confidential and may be legally privileged. If you are not the intended recipient, you must not read, use or disseminate the information; please advise the sender immediately by reply email and delete this message and any attachments without reproducing a copy. Although this email and any attachments are believed to be free of any virus or other defect that may affect any computer system into which it is received and opened, no responsibility is accepted by Aladdin Capital Management LLC for any loss or damage arising in any way from its use.

IRS Circular 230 Legend: Any advice contained herein was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. Unless otherwise specifically indicated above, you should assume that any statement in this email relating to any U.S. federal, state, or local tax matter was written in connection with the promotion or marketing by other parties of the transaction(s) or matter(s) addressed in this email. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-022138617
Footnote Exhibits - Page 5377

From: Shimovoy, Roman
Sent: Thursday, September 06, 2007 8:28 AM
To: Bieber, Matthew G.
Subject: Re: Timberwolf II -- Default Swap Collateral

Just got it. Thanks. Can you pls help with Adrock 05-2 cp calls today. Really appreciate it.

-------------------------------
Roman Shimovoy, CPA
Goldman, Sachs & Co.
Tel: 212-902-6964
roman.shimovoy@gs.com

Sent from my BlackBerry device

----- Original Message -----  
From: Bieber, Matthew G.
To: Shimovoy, Roman
Sent: Thu Sep 06 08:24:31 2007
Subject: RE: Timberwolf II -- Default Swap Collateral

See my previous email.

----- Original Message -----  
From: Shimovoy, Roman
Sent: Thursday, September 06, 2007 8:17 AM
To: Bieber, Matthew G.
Subject: Re: Timberwolf II -- Default Swap Collateral

Guess we can't delay talking to him anymore...

-------------------------------
Roman Shimovoy, CPA
Goldman, Sachs & Co.
Tel: 212-902-6964
roman.shimovoy@gs.com

Sent from my BlackBerry device

----- Original Message -----  
From: Joe Marconi <joe.marconi@regalwolfcapital.com>
To: Shimovoy, Roman
CC: Joe Marconi <joe.marconi@regalwolfcapital.com>; Bieber, Matthew G.; Martin, Nicole
Sent: Thu Sep 06 09:12:27 2007
Subject: Timberwolf II -- Default Swap Collateral

Roman:

We are doing our credit work on these 3 bonds which are shown on the GS inventory sheet. If we get comfortable with these positions, would GS be ok adding them to Timberwolf as Default Swap Collateral? We should be done with our credit work today.

Thanks, Joe.

Confidential Treatment Requested by Gold

GS MBS-E-00075873
1307

Footnote Exhibits - Page 5378

FLOATING Home Equity
75.247 SVMK 2005-4 2A3 83611MB8 0.6 +90 35 99-191 1.00/YTC
5.500 CBL 2006-20C 3A2 166450MB8 0.6 +90 35 99-195 0.76/YTC
13.335 ABRC 2006-9H1 2A2 00075WAB5 0.8 +70 20 99-161 0.65/YTC

From: Bruns, William [mailto:William.Bruns@gs.com]
Sent: Thursday, September 06, 2007 7:40 AM
To: undisclosed-recipients:
Subject: Goldman Sachs ABS Inventory (External)

ABS Cash Trading: Mike Swenson Dobie Salem Edwin Chin Jordan Kaufman Will Bruns +1 (212) 902-5600

In autos:
- GARNX announced a $500m deal.

In cards:
- CCIT announced a $750m deal.

<<Inventory.xls>>

<table>
<thead>
<tr>
<th>Act</th>
<th>[Item]</th>
<th>Issue</th>
<th>CUSIP</th>
<th>AVG</th>
<th>Spd</th>
<th>Ppy</th>
<th>Price</th>
<th>Pct</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED Credit Cards/Dealer Floorplan/Student Loans</td>
<td>3.750</td>
<td>MBAS 2003-All A11</td>
<td>55294TC4B</td>
<td>1.1</td>
<td>E+24</td>
<td>98-</td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.750</td>
<td>MBIT 2003-AF A9</td>
<td>064235AE8</td>
<td>1.1</td>
<td>E+24</td>
<td>99-</td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.000</td>
<td>MBMS 1999-J B</td>
<td>55292TEY1</td>
<td>2.0</td>
<td>N+50</td>
<td>104-</td>
<td>1.00/YTC/AAA/AAA/J+</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FLOATING Credit Cards/Dealer Floorplan/Auto/UK & Aussie RMBS/Equipment/Stranded Cost
| 3.056 | CMBL 2005-2 A2 | 159898AE0 | 0.9 | E+30 | 1.45 | 98- | 1.00/YTC |
| 1.500 | CCIT 2007-A2 A2 | 17305EDS1 | 2.7 | +28 | 99- | 9072 | 1.00/YTC/AAA/AAA/AAA |

| 12.500 | COMB 2004-C2 C2 | 14014KBE3 | 6.4 | +125 | 98- | 303 |
| 1.000 | YTC/deal/MB/MBB | 361596AEG | BV/A | N=300 | 90-101 |

| FIXED Auto & Equipment Loans | 41.780 | GMAL 2004-1 A4 | 36292WBM0 | 0.0 | E+35 | 1.25 | 98-98 | 0.47/YTC |
| 8.556 | NAVOT 2003-B A4 | 639266AO6 | 0.0 | E+50 | 0.75 | 96-96 | 0.71/YTC |
| 3.000 | AKOF 2003-1A A3 | 001093AA4 | 0.7 | E+25 | 0.00 | 98- | 1.00/YTC |
| 7.000 | GMLT 2003-1 A4 | 26267WA90 | 1.3 | E+40 | 1.30 | 98- | 1.00/YTC |
| 2.150 | HCMOT 2005-2 A2 | 61923AAV2 | 0.2 | E+30 | 1.45 | 98- | 1.00/YTC |
| 3.750 | TAMOT 2006-C A3 | 085767AC3 | 1.6 | E+55 | 1.45 | 99- | 1.00/YTC |
| 17.210 | NEATS 2004-4A A3 | 42685AAAC | 0.5 | E+25 | 0.00 | 98- | 1.00/YTC |

| FIXED Stranded Cost | 15.000 | CMAT 2001-1 A3 | 75593MDC4 | 1.3 | E+20 | 0 | 99-99 | 1.00/YTC |
| 5.000 | CCL 2003-1 A3 | 126178AC1 | 1.7 | E+20 | 0 | 100- | 1.00/YTC |
| 4.000 | CONFD 2001-1 A4 | 210523AA8 | 1.3 | E+20 | 58 | 99- | 0.90/YTC |
| 5.060 | CONFD 2001-1 A5 | 210522AA6 | 4.2 | E+20 | 58 | 101- | 1.00/YTC |

| Student Loans | 4.562 | SIMA 2006-9 A2 | 78445EAB2 | 1.5 | +20 | 150 | 99-214 | 1.00/YTC |
| 50.025 | SIMA 2006-6 A1 | 83149FAB2 | 1.5 | +20 | 150 | 99-205 | 0.68/YTC |
| 13.875 | SIMA 2007-3 A1 | 78443YAA4 | 0.8 | +20 | 20 | 99-233 | 0.61/YTC |

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000755874
### Fixed Home Equity

<table>
<thead>
<tr>
<th>Name</th>
<th>AVG</th>
<th>SPED</th>
<th>Fpy</th>
<th>Handle</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1308</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Floating Home Equity

<table>
<thead>
<tr>
<th>Name</th>
<th>AVG</th>
<th>DM</th>
<th>Fpy</th>
<th>App</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36051021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Footnote Exhibits - Page 5379

The table above contains data on fixed and floating home equity, along with additional notes and references.
### Footnote Exhibits - Page 5380

| 1.000 | ACE 2003 - HEI M4 | 06431202D 0.2 | +2000 45 | 96-114 | YTC/basal/BBB/BBB+ |
| 1.000 | SURV 2003 - BC4 R3 | 84731353B 0.4 | +1300 50 | 94-285 | YTC/basal/BBB/BBB+ |
| 1.000 | ACE 2003 - HEI M5 | 84471056O 0.2 | +2000 45 | 96-246 | YTC/basal/BBB/BBB |
| 1.500 | SAC 2006 - 6 H1 | 78751984Z 2.6 | | | |
| 1.500 | SAC 2006 - 6 B2 | 78751984Z 2.6 | | | |
| 7.550 | CWL 2005 - 13 M4 | 12675051S 2.2 | +400 40 | 88-301 | YTC/basal/A |
| 1.250 | WFNET 2006 - 1 M7 | 84471053P 2.8 | +2000 100 | 52-301 | YTC/basal/A/ |
| 3.650 | MUG 2006 - MBE B1 | 592016842 2.9 | +1500 83 | 70-266 | YTC/basal/A/ |
| 3.650 | DUNE 2006 - GTPA M7 | 85311298 2.9 | +250 83 | 59-006 | YTC/basal/BBB/BBB |
| 3.243 | GSAMF 2006 - HSA M7 | 36240363R 2.1 | +1400 100 | 70-136 | YTC/basal/A/ |
| 3.025 | FSMT 2006 - 6 M7 | 43788963 3.2 | +2500 100 | 52-024 | YTC/basal/BBB/+ |
| 11.250 | FFMF 2006 - FY13 M7 | 36240363R 2.1 | +1400 100 | 70-136 | YTC/basal/A/ |
| 3.275 | DUNE 2006 - RKS B1 | 84731353B 0.4 | +2000 53 | 72-293 | YTC/basal/A/ |
| 4.125 | EMK 2006 - 7 M7 | 84731353B 0.4 | +2000 53 | 72-293 | YTC/basal/A/ |
| 12.000 | CWL 2006 - 8 M7 | 84471056O 0.2 | +2000 53 | 59-198 | YTC/basal/BBB/BBB |
| 2.837 | GSAMF 2006 - HSBB M7 | 592016842 2.9 | +1500 83 | 59-198 | YTC/basal/BBB/BBB |
| 3.000 | LNSUL 2006 - 10 M7 | 54251224M 3.7 | +2000 100 | 52-155 | YTC/basal/A/ |
| 2.000 | WODS 2006 - HEH M7 | 93311224M 3.4 | +1200 100 | 71-296 | YTC/basal/A/ |
| 0.940 | LNF 2006 - 9 M7 | 54251224M 3.7 | +300 100 | 49-033 | YTC/basal/A/ |
| 7.000 | GSAMF 2007 - NIC M7 | 36240363R 2.1 | +1200 100 | 69-241 | YTC/basal/A/ |
| 5.000 | WHSE 2007 - HEI M7 | 93311224M 3.4 | +1200 100 | 54-103 | YTC/basal/A/ |
| 5.860 | SURF 2007 - NIC B1 | 61731288P 4.0 | +1400 53 | 64-128 | YTC/basal/A/ |
| 7.000 | MUSC 2007 - NIC B1 | 61731288P 4.0 | +1400 53 | 64-128 | YTC/basal/A/ |

**FIXED ALT-A**

<table>
<thead>
<tr>
<th>AVL</th>
<th>Spad</th>
<th>Ppy</th>
<th>App Pro</th>
<th>Fctr/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.000</td>
<td>GSAMF 2006 - 10 AV1</td>
<td>36235663A 0.6</td>
<td>+75 20</td>
<td>99-176</td>
</tr>
<tr>
<td>7.300</td>
<td>GSA 2006 - 3 A1</td>
<td>36235663A 0.6</td>
<td>+75 20</td>
<td>99-176</td>
</tr>
<tr>
<td>4.360</td>
<td>GSA 2006 - 12 A1</td>
<td>36235663A 0.6</td>
<td>+75 20</td>
<td>99-176</td>
</tr>
<tr>
<td>20.000</td>
<td>GSA 2006 - 13 A1</td>
<td>36235663A 0.6</td>
<td>+75 20</td>
<td>99-176</td>
</tr>
<tr>
<td>25.000</td>
<td>GSA 2006 - 4 A2</td>
<td>36235663A 0.6</td>
<td>+75 20</td>
<td>99-176</td>
</tr>
<tr>
<td>3.150</td>
<td>GSA 2006 - 4 A2</td>
<td>36235663A 0.6</td>
<td>+75 20</td>
<td>99-176</td>
</tr>
<tr>
<td>3.000</td>
<td>GSA 2006 - 20 A1</td>
<td>36235663A 0.6</td>
<td>+75 20</td>
<td>99-176</td>
</tr>
<tr>
<td>7.000</td>
<td>GSA 2006 - 13 A2</td>
<td>36235663A 0.6</td>
<td>+75 20</td>
<td>99-176</td>
</tr>
<tr>
<td>15.000</td>
<td>GSA 2006 - 5 K2</td>
<td>42593046A 0.9</td>
<td>+60 20</td>
<td>97-256</td>
</tr>
<tr>
<td>10.255</td>
<td>BBBS 2007 - A1 M1</td>
<td>70389242B 6.0</td>
<td>+400 20</td>
<td>85-199</td>
</tr>
<tr>
<td>5.000</td>
<td>BBBS 2007 - A1 M1</td>
<td>70389242B 6.0</td>
<td>+400 20</td>
<td>85-199</td>
</tr>
<tr>
<td>1.000</td>
<td>GSA 2005 - 5 B2</td>
<td>362410286 1.0</td>
<td>+200 20</td>
<td>76-233</td>
</tr>
<tr>
<td>1.000</td>
<td>YTC/basal/BBB/BBB</td>
<td>362410286 1.0</td>
<td>+200 20</td>
<td>76-233</td>
</tr>
<tr>
<td>0.700</td>
<td>GSA 2005 - 5 B3</td>
<td>362410286 1.0</td>
<td>+200 20</td>
<td>76-233</td>
</tr>
<tr>
<td>0.730</td>
<td>GSA 2005 - 6 M3</td>
<td>362410286 1.0</td>
<td>+200 20</td>
<td>76-233</td>
</tr>
<tr>
<td>1.000</td>
<td>GSA 2005 - 9 B3</td>
<td>362410286 1.0</td>
<td>+200 20</td>
<td>76-233</td>
</tr>
<tr>
<td>1.000</td>
<td>GSA 2005 - 9 B3</td>
<td>362410286 1.0</td>
<td>+200 20</td>
<td>76-233</td>
</tr>
<tr>
<td>4.150</td>
<td>GSA 2005 - 11 M4</td>
<td>362410286 1.0</td>
<td>+200 20</td>
<td>76-233</td>
</tr>
<tr>
<td>6.552</td>
<td>CMLBT 2005 - A1 M5</td>
<td>12669866 5.3</td>
<td>+1350 20</td>
<td>60-097</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000705676
### Footnote Exhibits - Page 5381

<table>
<thead>
<tr>
<th>Floating Cards</th>
<th>Fixed Cards</th>
<th>Auto</th>
<th>BBB Bond</th>
<th>Pred</th>
<th>Fit</th>
<th>FPFLP</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-2/3</td>
<td>-5/4</td>
<td>0/25</td>
<td>10/8</td>
<td>0/1</td>
<td>2/1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>-1/2</td>
<td>-2/3</td>
<td>0/1</td>
<td>0/4</td>
<td>4/37</td>
<td>1/0</td>
<td>3/2</td>
</tr>
<tr>
<td>3</td>
<td>0/1</td>
<td>-1/2</td>
<td>4/3</td>
<td>0/7</td>
<td>2/3</td>
<td>3/2</td>
<td>4/7</td>
</tr>
<tr>
<td>5</td>
<td>0/3</td>
<td>-2/3</td>
<td>0/1</td>
<td>0/4</td>
<td>8/30</td>
<td>2/3</td>
<td>4/7</td>
</tr>
<tr>
<td>7</td>
<td>0/3</td>
<td>5/4</td>
<td>6/5</td>
<td>10/5</td>
<td>35/50</td>
<td>11/10</td>
<td>14/13</td>
</tr>
<tr>
<td>9</td>
<td>0/3</td>
<td>8/7</td>
<td>9/8</td>
<td>112/107</td>
<td>12/2</td>
<td>14/17</td>
<td></td>
</tr>
</tbody>
</table>

### Home Equity (Sub) |
- AA: 70/35
- A: 145/125
- BBB+: 375/350
- BBB: 575/450
- BBB-: 800/625

### ABV HE 07-2 Closes |
<table>
<thead>
<tr>
<th>Price</th>
<th>Spread</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>96-00</td>
<td>141</td>
</tr>
<tr>
<td>AA</td>
<td>85-00</td>
<td>98</td>
</tr>
<tr>
<td>A</td>
<td>73-00</td>
<td>1470</td>
</tr>
<tr>
<td>BBB</td>
<td>42-00</td>
<td>2233</td>
</tr>
<tr>
<td>BBB-</td>
<td>38-00</td>
<td>2318</td>
</tr>
</tbody>
</table>

---

**Disclaimer:**
This material is prepared specifically for you by the Fixed Income at J. Aron Trading/Research Department and is not the product of Fixed Income or J. Aron Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Certain transactions, including those involving futures, options and high yield securities, give rise to substantial risk and are not suitable for all investors. We, or persons involved in the preparation or issuance of this material, may from time to time, have long or short positions in, and buy or sell, the securities, futures, options or other instruments and investments identical with or related to those mentioned herein. Goldman Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors and counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of any kind. This material has been issued by Goldman Sachs & Co. and has been approved by Goldman Sachs International, which is authorized and regulated by The Financial Services Authority, in connection with its distribution in the United Kingdom and by Goldman Sachs Canada in connection with its distribution in Canada. Further information on any of the securities, futures, options or other instruments mentioned in this material may be obtained upon request.

---

This email has been scanned by the FrontBridge Email Security System. For more information please visit [http://www.frontbridge.com/solutions/email_security.php](http://www.frontbridge.com/solutions/email_security.php)
Footnote Exhibits - Page 5382

From: Joe Marconi <joe.marconi@greywolfcapital.com>
Sent: Friday, September 7, 2007 7:23 AM
To: david.lehman@gs.com
Cc: Joe Marconi <joe.marconi@greywolfcapital.com>; Greg Mounk <greg.mounk@greywolfcapital.com>; Bieber, Matthew G. <Matthew.Bieber@gs.com>; Swenson, Michael <Michael.Swenson@gs.com>
Subject: FW: Timberwolf -- Default Swap Collateral

Attach: inventory.xls

David,

As we discussed yesterday, I believe that your initial idea to approve the purchase of any additional Default Swap Collateral into Timberwolf is unreasonable and inconsistent with the way the transaction structure was originally presented to us. We were told that the purpose of the approval rights was to permit GS to review specific assets and approve or disapprove specific assets based on their relative credit metrics. If we thought for a second that you had the right to prohibit all new purchases indefinitely, we would have implemented the much simpler GIC structure that is used in most other synthetic CDOs and CDO2 transactions and thereby locked in a fixed spread to LIBOR for the term of our transaction. Also, the Timberwolf CDS economics include an ongoing fee to GS for the put swap component of the trade; we would not have agreed to those terms if we thought you had this option. Finally, I believe that if anyone on the deal team thought you had this option, it would have been clearly disclosed in the OM. Especially given current market conditions, I am surprised that you are taking a position that will directly result in less cash flow being available to debt and equity investors. As I said yesterday, we recognize the impact of current market conditions and, even before I spoke with Matt, I was suggesting we collectively focus on shorter average life AAA RMBS for the deal and I specifically solicited feedback on securities where GS would feel comfortable. I continue to be surprised by your response.

Joe

***************************************************************

FOIA Confidential Treatment
Requested by Greywolf Capital Manager
Pursuant to 17 C.F.R § 200.83
Footnote Exhibits - Page 5383

E: jmarcon@graywolfcapital.com

CONFIDENTIALITY NOTICE: This email, including attachment(s), is confidential and is intended for the exclusive use of the designated recipient(s) named above. If the reader of this email is not the intended recipient or is not authorized to receive this information, please notify the sender immediately by returning this email and delete the email and any attachments from your system. Thank You.

From: Joe Marconi
Sent: Thursday, September 06, 2007 8:18 AM
To: 'Shumakov, Roman' Car Joe Marconi; Bieder, Matthew G.; Martin, Nicole
Subjects: Timberwolf -- Default Swap Collateral

Roman:

We are doing our credit work on these 3 bonds which are shown on the GS inventory sheet. If we get comfortable with these positions, would GS be ok adding them to Timberwolf as Default Swap Collateral? We should be done with our credit work today.

Thanks, Joe.

FLOATING Rate Equity

<table>
<thead>
<tr>
<th>Issue</th>
<th>AVL</th>
<th>DM</th>
<th>Ppy</th>
<th>App Pre</th>
<th>Pnl/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5.247</td>
<td>03F13RRS 0.6 99 35 99-193 1.00/YTC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.000 OWL 2005-2C 322 12661SOCB 0.6 99 99-193 0.76/YTC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.350 XARC 2004-2E1 1 AIA 00072WABS 0.9 99 99-193 0.69/YTC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From: Wills, William [mailto:Wills.William@gs.com]
Sent: Thursday, September 06, 2007 7:48 AM
To: unclassified recipients
Subjects: Goldman Sachs ABS Inventory (External)

ABS Cash Trading: Mike Swenson  Deeb Salem  Edwin Chin  Jordan Kaufman  Will Bruce +1
1212.912-5000

In action:
- CARR announced a $500mm deal.

In cards:
- CDE announced a $750mm deal.

<inventory.xls>

<table>
<thead>
<tr>
<th>Issue</th>
<th>CUSIP</th>
<th>AVL</th>
<th>Ccy</th>
<th>Ppy</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5.247</td>
<td>03F13RRS</td>
<td>0.6 99 35 99-193 1.00/YTC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.000 OWL 2005-2C 322</td>
<td>12661SOCB 0.6 99 99-193 0.76/YTC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.350 XARC 2004-2E1 1 AIA</td>
<td>00072WABS 0.9 99 99-193 0.69/YTC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FOSI Confidential Treatment
Requested by Graywolf Capital Management LP
Pursuant to 17 C.F.R § 200.83

GW 107910
<table>
<thead>
<tr>
<th>Fixed Rate &amp; Equipment Loans</th>
<th>AVL</th>
<th>Spd</th>
<th>Ppy</th>
<th>Handle</th>
<th>Fcte/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>41,780 GEALY 2004-1 A, A4</td>
<td>36232RAMK3 0.0 E=35 1.25 SELL 0.47/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9,555 HARVOT 2003-B A4</td>
<td>42994KAZQ4 0.3 E=50 0.75 99- 0.71/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,000 AECOP 2003-3A A3</td>
<td>02100RAXQ4 0.7 E=25 0.00 98- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7,000 GSAET 2005-1 A4</td>
<td>36296RAV3 1.3 E=40 1.35 98- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,120 REDMT 2005-2 A2</td>
<td>42993MAD0V 1.2 E=30 1.45 98- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,750 TABOT 2006-C A3</td>
<td>85579RAC3 1.4 E=55 1.45 98- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17,210 HERTZ 2004-1A A3</td>
<td>42805RAK3 0.5 E=20 0.00 98- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed Stranded Cost</th>
<th>AVL</th>
<th>Spd</th>
<th>Ppy</th>
<th>Handle</th>
<th>Fcte/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000 CPD 2001-1 A3</td>
<td>76655RBM3 1.3 E=20 0 99- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,000 CVW 2001-1 A3</td>
<td>21671RAMC1 1.7 E=20 0 100- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,000 CONFB 2001-1 A4</td>
<td>210523AUX 1.3 E=20 51 99- 0.99/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,060 COMT 2001-1 A5</td>
<td>210523AS5 4.2 N=28 51 101- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Student Loans</th>
<th>AVL</th>
<th>Spd</th>
<th>Ppy</th>
<th>Handle</th>
<th>Fcte/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,500 SLMA 2008-9 A2</td>
<td>78444RAXQ2 1.5 E=20 100 99- 0.99/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50,025 SLMA 2008-6 A1</td>
<td>83149PRAQ 1.5 E=20 150 99- 0.99/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13,675 SLMA 2007-3 A1</td>
<td>78444RAXQ4 0.8 E=20 20 99- 0.99/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed Home Equity</th>
<th>AVL</th>
<th>Spd</th>
<th>Ppy</th>
<th>Handle</th>
<th>Fcte/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,000 CNL 2002-ct A5</td>
<td>12671GK6 0.2 E=10 23 99- 0.87/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,000 POPFL 2005-1 A3</td>
<td>73316RAXS 1.0 E=15 15 98- 0.97/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>76,456 CDASS 2005 CBA AFI</td>
<td>04542RBFH 1.4 E=55 30 97- 0.03/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7,385 ACCR 2002-2 A1</td>
<td>004735AAX 2.8 N=100 100 99- 0.31/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,273 SAIL 2005-8 M7</td>
<td>86570EKW 3.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10,000 SAIL 2005-8 M7</td>
<td>86570EKX 3.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,120 CNL 2005-11 M7</td>
<td>12670DQO 4.0 N=500 3 97- 0.03/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,364 CSAMP 2004-A2 B4</td>
<td>36242DQX 0.6 E=1350 45 89- 0.36/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Floating Home Equity</th>
<th>AVL</th>
<th>Spd</th>
<th>Ppy</th>
<th>Handle</th>
<th>Fcte/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>75,247 SVHE 2005-4 2A3</td>
<td>83611RMA3 0.6 E=90 35 99- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,000 CNL 2005-95 A2A</td>
<td>12670DQO 0.6 E=90 35 99- 1.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12,335 ASFC 2004-MEL A2A</td>
<td>00000NAWS 0.8 E=70 20 99- 0.68/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20,000 MSAAC 2004-HMB A4</td>
<td>67740CRMO 0.2 E=45 35 99- 0.04/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,000 CLFRC 2007-HWY A3</td>
<td>12712BRC 0.3 E=150 100 99- 0.03/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,000 ENVT 2005-5 AEC</td>
<td>69125KEZ 2.8 E=140 83 96- 0.00/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12,000 CSAMP 2005-WMC A18</td>
<td>36242DQX 0.3 E=65 20 99- 0.54/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10,000 JMHC 2006-MHC A5</td>
<td>66626LQX 4.7 E=175 100 94- 0.05/TFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FOIA Confidential Treatment**
Requested by Grovers Capital Management LP
Pursuant to 17 C.F.R § 200.83
Footnote Exhibits - Page 5387

1. 005  GSMA 2006-9 8.5 1001/1200 4.8 1900 20 61-282 1.00/1200/3/A/  
2. 005  GSMA 2005-14 M4 1001/1200 4.6 800 20 76-005 1.00/1200/3/A/-  
3. 005  GNMA 2005-3/A1 M5 1001/1200 5.3 1350 20 60-007 1.00/1200/3/A/3/A/  

William Street Funding  
AVL DM Ppy App Prc Pct/Notes  
Small Business Administration  
AVL Spd Ppy Handle Pct/Notes  
SP CDOs  
AVL DM Ppy App Prc Pct/Notes  
NIMs  
AVL Yield Ppy App Prc Pct/Notes  

<table>
<thead>
<tr>
<th>Floating</th>
<th>Fixed</th>
<th>HomeEq</th>
<th>HomeEq</th>
<th>Loan</th>
<th>Loan</th>
<th>Student</th>
<th>Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cards</td>
<td>Cars</td>
<td>Autos</td>
<td>BBB</td>
<td>Fed</td>
<td>FLC</td>
<td>FPLP</td>
<td>Private</td>
</tr>
<tr>
<td>1</td>
<td>-2/-3</td>
<td>-2/-4</td>
<td>-1/-2</td>
<td>-4/-5</td>
<td>30/25</td>
<td>10/9</td>
<td>0/4</td>
</tr>
<tr>
<td>2</td>
<td>-1/-2</td>
<td>-2/-3</td>
<td>0/-1</td>
<td>-3/-4</td>
<td>42/37</td>
<td>10/13</td>
<td>1/0</td>
</tr>
<tr>
<td>3</td>
<td>0/-1</td>
<td>-1/-2</td>
<td>4/3</td>
<td>-2/-3</td>
<td>32/47</td>
<td>25/20</td>
<td>3/2</td>
</tr>
<tr>
<td>5</td>
<td>4/3</td>
<td>2/1</td>
<td>1/0</td>
<td>85/10</td>
<td>29/24</td>
<td>7/6</td>
<td>6/5</td>
</tr>
<tr>
<td>7</td>
<td>6/5</td>
<td>5/4</td>
<td>6/3</td>
<td>105/35</td>
<td>35/30</td>
<td>11/10</td>
<td>14/13</td>
</tr>
<tr>
<td>10</td>
<td>9/7</td>
<td>8/7</td>
<td>9/7</td>
<td>112/197</td>
<td>13/12</td>
<td>16/17</td>
<td></td>
</tr>
</tbody>
</table>

HomeEq Flt Hwz/sub  
AA 10/55  
A 145/125  
BBB+ 375/100  
BBB 575/450  
BBB- 600/435  

ABX.MK.052 Closes  
Price Spread Change  
AA 96-03 141 -25bp  
AA 95-00 586 -35bp  
A 01-00 1470 -100bp  
BBB 62-00 2213 -4bp  
BBB- 39-00 2318 -35bp  

Disclaimer:  
This material has been prepared specifically for you by the Fixed Income or J. Aron Trading/Sales Department and is not the product of Fixed Income or J. Aron Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions and are subject to change at any time. The material is based upon information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Curtis transactions, including those involving futures, options and high yield securities, may result in substantial risk and are not suitable for all investors. We, or persons involved in the preparation or issuance of this material, may from time to time, have long or short positions in, and buy or sell, the securities, futures, options or other instruments and investments identified with or related to those mentioned herein. Goldman Sachs does not provide accounting, tax or legal advice, and such matters should be discussed with your advisors and counsel. In addition, we may not agree to, subject to, . . . applicable law, you may disclose any and all aspects of this material that we may be necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitations of any kind. This material has been reviewed by Goldman, Sachs & Co. and has been approved by Goldman Sachs (international), which is authorised and regulated by The Financial Services Authority, in connection with its distribution in the United Kingdom and by Goldman Sachs Canada in connection with its distribution in Canada. Further information on any of the securities, futures or options referenced in this material may be obtained upon request.

FOIA Confidential Treatment  
Requested by Greywolf Capital Management LP  
Pursuant to 17 C.F.R §200.83  

GW  107914
With respect to your second question below, as noted in my letter of December 21, 2010, Section 12.5 of the Indenture for the Timberwolf CDO confers on the Secured Party the right to consent to the selection and reinvestment of default swap collateral. It is the position of Goldman Sachs that neither Section 12.5 of the Indenture nor any other relevant deal documents impose any obligation on the Secured Party to consent to reinvestment of default swap collateral, either on a case-by-case basis or generally. Of course, as you know, with respect to Timberwolf, reinvestment of default swap collateral did occur.

Thanks.  Lee

2. I have read Goldman’s answer regarding its current views with respect to its right to object to reinvestment of collateral in the Timberwolf CDO. I realize that Section 12.5 of the Indenture provides consent rights to the Secured Party (GSI) and no default swap collateral may be purchased by the Issuer if it is objected to by the Secured Party. What I would like Goldman’s view on is whether that right can extend to and permit objecting to the purchase of any proposed default swap collateral (either on a case by case basis or via a blanket refusal to consent to the purchase of any default swap collateral), so that the Issuer is unable to purchase any new or additional purchases of default swap collateral. In other words, would the rights given to Goldman as the Secured Party under Section 12.5 enable Goldman to prevent the Issuer from purchasing any new or additional default swap collateral, so that as existing default swap collateral yields interest or dividends or pays down, all the income remains in cash and is not used to purchase new or additional default swap collateral?

Thanks.
Redacted By The
Permanent Subcommittee
on Investigations

Pages 2-8 of email chain redacted by the Permanent Subcommittee on Investigations.
Footnote Exhibits - Page 5390

From: Horvath, Jordan
Sent: Friday, September 07, 2007 8:42 AM
To: Saunders, Tim; Bieber, Matthew G.; Helfrick, Susan
Cc: Lehman, David A.
Subject: RE: Timberwolf -- Default Swap Collateral

I can do 1:15 -- I will send around an invite to mark it off on our calendars.

-----Original Message-----
From: Saunders, Tim
Sent: Friday, September 07, 2007 8:14 AM
To: Bieber, Matthew G.; Helfrick, Susan; Horvath, Jordan
Cc: Lehman, David A.
Subject: Re: Timberwolf -- Default Swap Collateral

Perfect. You want to say 1pm? Susan and Jordan does that work for u all?

----- Original Message ----- 
From: Bieber, Matthew G. 
To: Saunders, Tim; Helfrick, Susan; Horvath, Jordan 
Cc: Lehman, David A. 
Sent: Fri Sep 07 08:11:46 2007 
Subject: RE: Timberwolf -- Default Swap Collateral 

I am as well...this afternoon works for me, though.

----- Original Message ----- 
From: Saunders, Tim 
Sent: Friday, September 07, 2007 8:11 AM 
To: Bieber, Matthew G.; Helfrick, Susan; Horvath, Jordan 
Cc: Lehman, David A. 
Subject: Re: Timberwolf -- Default Swap Collateral

Let's discuss live. I'm pretty tied up this morning but will try to break away.

----- Original Message ----- 
From: Bieber, Matthew G. 
To: Saunders, Tim; Helfrick, Susan; Horvath, Jordan 
Cc: Lehman, David A. 
Sent: Fri Sep 07 07:46:29 2007 
Subject: FW: Timberwolf -- Default Swap Collateral

Pls see email we received below - wanted to get your take on what response (if any) we should craft. This is related to the default swap collateral account in Timberwolf used to collateralize the exposure we have to the CDO on the CDS contracts that are the assets in "WMLP."

From: Joe Marcooni [mailto:joe.marcconi@graywolfcapital.com]
Sent: Friday, September 07, 2007 7:23 AM
To: Lehman, David A.
Cc: Joe Marcooni; Greg Mount; Bieber, Matthew G.; Swenson, Michael
Subject: FW: Timberwolf -- Default Swap Collateral

Importance: High

[Image] Permanent Subcommittee on Investigations Wall Street & The Financial Crisis Report Footnote #2654

GS MBS-E-02188107:
David: As we discussed yesterday, I believe that your refusal to approve the purchase of any additional Default Swap collateral into Timberwolf is unreasonable and inconsistent with the way the transaction structure was originally presented to us. We were told that the purpose of the approval rights was to permit GS to review specific assets and approve or disapprove specific assets based on their relative credit merits. If we thought for a second that you had the right to prohibit all new purchases indefinitely, we would have implemented the much simpler CVC structure that is used in most other synthetic CDOs and CDO2 transactions and thereby locked in a fixed spread to EUROR for the term of our transaction. Also, the Timberwolf CDS economics include an ongoing fee to GS for the put swap component of the trade; we would not have agreed to those terms if we thought you had this option. Finally, I believe that if anyone on the deal team thought you had this option, it would have been clearly disclosed in the GM. Especially given current market conditions, I am surprised that you are taking a position that will directly result in less cash flow being available to debt and equity investors. As I said yesterday, we recognize the impact of current market conditions and, even before I spoke with Matt, I was suggesting we collectively focus on shorter average life AAA MBSs for the deal and I specifically solicited feedback on securities where GS would be comfortable. I continue to be surprised by your response, Joe.

Joe Marconi
GREYWOLF CAPITAL
4 Manhattanville Road, Suite 201
Purchase, NY 10577

B) 914.251.8248
F) 914.251.8244
M: 914.123.4567
E: Joe.marconi@greywolfcapital.com <mailto:Joe.marconi@greywolfcapital.com>

CONFIDENTIALITY NOTICE:
This email, including attachment(s), is confidential and is intended for the exclusive use of the designated recipient(s) named above. If the reader of this email is not the intended recipient or its authorized agent, the reader is hereby notified that any duplication, distribution or copying of these materials is prohibited. If you have received this email in error, please notify the sender immediately by replying to this email and deleting this email and any attachment(s) from your system. Thank you.

From: Joe Marconi
Sent: Thursday, September 06, 2007 9:13 AM
To: david.lehman@gs.com
Cc: Joe Marconi; Greg Munt; Mike P; Matthew G. Stevenson; Michael G. K. Subject: FW: Timberwolf --- Default Swap Collateral

Importance: High

David: I would like to have a call with you to discuss the purchase of Default Swap Collateral into Timberwolf. I understand you are traveling this week, let me know when you will have some time to talk. In response to the attached message, Matt told me that GS will not approve the purchase of any additional Default Swap Collateral into Timberwolf. While GS does have current rights regarding the purchase of Default Swap Collateral, a blanket refusal to approve any assets is inappropriate, inconsistent with the parties’ original expectations and will negatively impact the performance of both the debt and equity issued by Timberwolf. Give me a call when you can. Joe.

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-021981071
Footnote Exhibits - Page 5392

Joe Marcioni
GREENWOLF CAPITAL
4 Manhattanville Road, Suite 201
Purchase, NY 10577
P: 516.251.9249
F: 516.251.5214
E: joe.marconi@greywolfcapital.com (mailto:joe.marconi@greywolfcapital.com)

CONFIDENTIALITY NOTICE:
This email, including attachment(s), is confidential and is intended for the exclusive use of the designated recipient(s) named above. If the reader of this email is not the intended recipient or its authorized agent, the reader is hereby notified that any dissemination, distribution or copying of this email is prohibited. If you have received this email in error, please notify the sender immediately by replying to this email and delete this email and any attachment(s) from your system. Thank You. Greywolf Capital Management Inc.

From: Joe Marcioni
Sent: Thursday, September 06, 2007 8:14 AM
To: 'Shahmorz, Hamish'; 'Biber, Matthew G.'; 'Merten, Nicola'
Cc: Joe Marcioni; Biber, Matthew G.; Merten, Nicola
Subject: Timberwolf - Default Swap Collateral

Hamish:

We are doing our credit work on these 3 bonds which are shown on the GS inventory sheet. If we get comfortable with these positions, would GS be ok adding them to Timberwolf as Default Swap Collateral? We should be done with our credit work today.

Thanks, Joe.

FLOATING Rate Equity

<table>
<thead>
<tr>
<th>Name</th>
<th>AVL</th>
<th>PN</th>
<th>Ppy</th>
<th>App Ppy</th>
<th>Tota</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>75,247</td>
<td>63411I0083</td>
<td>0.6</td>
<td>90</td>
<td>99-125</td>
<td>0.76</td>
<td>YCC</td>
</tr>
<tr>
<td>5,000</td>
<td>12667I0006</td>
<td>0.6</td>
<td>90</td>
<td>99-125</td>
<td>0.76</td>
<td>YCC</td>
</tr>
<tr>
<td>12,535</td>
<td>20266I0006</td>
<td>0.6</td>
<td>90</td>
<td>99-125</td>
<td>0.76</td>
<td>YCC</td>
</tr>
</tbody>
</table>

From: Bruno, William (mailto:William.Bruno@gs.com)
Sent: Thursday, September 06, 2007 7:48 AM
To: undisclosed-recipients: Subject: Goldman Sachs ABS Inventory (External)

ABS Cash Trading: Mike Swenson Deb Salem Edwin Chin Jordan Heyman Will Bruno +1
(212)902-9690

3

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021881076
## Footnote Exhibits - Page 5393

In autos:
- CARRE announced a $5.0mm deal.

In cards:
- CCIT announced a $75.0mm deal.

<table>
<thead>
<tr>
<th>Ant (Name)</th>
<th>Issue</th>
<th>CUSIP</th>
<th>AVL</th>
<th>Spd</th>
<th>Ppy</th>
<th>Approx</th>
<th>Price</th>
<th>Freq</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Credit Cards/Dealer Floorplan/Student Loans</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.75%</td>
<td>SBOF 2003-A5 A9</td>
<td>04262RMK6</td>
<td>1.1</td>
<td>E+24</td>
<td></td>
<td>80-</td>
<td></td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
</tr>
<tr>
<td>10.00%</td>
<td>MAMM 1999-7 B</td>
<td>55262TETV</td>
<td>2.0</td>
<td>N+50</td>
<td></td>
<td>100-</td>
<td></td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
</tr>
<tr>
<td><strong>Floating Credit Cards/Dealer Floorplan/Notes/UK &amp; Aussie RMBS/Equipment/Stranded Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.30%</td>
<td>CONV 2003-1 A</td>
<td>15813MAO6</td>
<td>0.5</td>
<td>E+00</td>
<td></td>
<td>55-</td>
<td></td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
</tr>
<tr>
<td>1.50%</td>
<td>CCGT 2007-2 A2</td>
<td>17305DED1</td>
<td>2.3</td>
<td>E+28</td>
<td></td>
<td>90-</td>
<td></td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
</tr>
<tr>
<td>12.50%</td>
<td>CONV 2001-1 C2</td>
<td>14041H3U6</td>
<td>5.4</td>
<td>E+13</td>
<td></td>
<td>90-</td>
<td></td>
<td>98-353</td>
<td></td>
</tr>
<tr>
<td>1.00/YTC/AAA/AAA/AAA/AAA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.00%</td>
<td>GBGE 2006-2 A</td>
<td>36155DAGU</td>
<td>7.5</td>
<td>N+300</td>
<td></td>
<td>90-</td>
<td></td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
</tr>
<tr>
<td><strong>Floating Rate &amp; Equipment Loans</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41.70%</td>
<td>GR AY 2004-1 A4</td>
<td>36292RMK3</td>
<td>0.0</td>
<td>E+35</td>
<td></td>
<td>1.25</td>
<td></td>
<td>0.47/YTC</td>
<td></td>
</tr>
<tr>
<td>3.00%</td>
<td>RAMA 2003-5 A4</td>
<td>05915EAG6</td>
<td>0.3</td>
<td>E+20</td>
<td></td>
<td>0.75</td>
<td></td>
<td>0.75/YTC</td>
<td></td>
</tr>
<tr>
<td>3.00%</td>
<td>AAFOP 2003-4 A2</td>
<td>00135KEA4</td>
<td>0.7</td>
<td>E+20</td>
<td></td>
<td>0.00</td>
<td></td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>3.00%</td>
<td>AAFOP 2003-3 A3</td>
<td>36282RMK3</td>
<td>1.3</td>
<td>E+40</td>
<td></td>
<td>1.25</td>
<td></td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>2.150%</td>
<td>KOMT 2005-2 A2</td>
<td>43281VXG0</td>
<td>1.2</td>
<td>E+30</td>
<td></td>
<td>1.45</td>
<td></td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>3.750%</td>
<td>TAMT 2006-2 A3</td>
<td>69397MBG3</td>
<td>1.4</td>
<td>E+50</td>
<td></td>
<td>1.45</td>
<td></td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>17.210%</td>
<td>MEXTS 2004-1 A3</td>
<td>42905MAG3</td>
<td>0.5</td>
<td>E+25</td>
<td></td>
<td>0.00</td>
<td></td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Stranded Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15.00%</td>
<td>OPE 2001-1 A3</td>
<td>75855MNK4</td>
<td>1.3</td>
<td>E+20</td>
<td></td>
<td>0.25</td>
<td></td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>15.00%</td>
<td>OPE 2002-1 A3</td>
<td>128175AMC1</td>
<td>1.7</td>
<td>E+20</td>
<td></td>
<td>0.50</td>
<td></td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>4.00%</td>
<td>COMB 2001-1 A4</td>
<td>210523ABG4</td>
<td>1.3</td>
<td>E+20</td>
<td></td>
<td>0.25</td>
<td></td>
<td>0.50/YTC</td>
<td></td>
</tr>
<tr>
<td>5.00%</td>
<td>COMB 2001-1 A5</td>
<td>210523ABG6</td>
<td>4.2</td>
<td>E+20</td>
<td></td>
<td>0.25</td>
<td></td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td><strong>Student Loans</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.65%</td>
<td>SIMA 2006-9 A2</td>
<td>76443XMA6</td>
<td>1.6</td>
<td>E+20</td>
<td></td>
<td>100</td>
<td></td>
<td>99-314</td>
<td></td>
</tr>
<tr>
<td>60.025%</td>
<td>SIMA 2006-6 A1</td>
<td>83149WA23</td>
<td>1.5</td>
<td>E+20</td>
<td></td>
<td>150</td>
<td></td>
<td>99-350</td>
<td></td>
</tr>
<tr>
<td>13.675%</td>
<td>SIMA 2007-3 A1</td>
<td>76443XMA6</td>
<td>0.8</td>
<td>E+20</td>
<td></td>
<td>20</td>
<td></td>
<td>99-253</td>
<td></td>
</tr>
<tr>
<td><strong>Floating Home Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.00%</td>
<td>GCMH 2001-94 A5</td>
<td>126871UDV4</td>
<td>0.2</td>
<td>E+50</td>
<td></td>
<td>25</td>
<td></td>
<td>0.97/YTC</td>
<td></td>
</tr>
<tr>
<td>5.000%</td>
<td>FOPR 2001-1 AF1</td>
<td>73316B0X5</td>
<td>1.0</td>
<td>E+45</td>
<td></td>
<td>15</td>
<td></td>
<td>0.75/YTC</td>
<td></td>
</tr>
<tr>
<td>24.35%</td>
<td>CRW 2004-2 CPU AF1</td>
<td>04420FJAD</td>
<td>3.4</td>
<td>E+55</td>
<td></td>
<td>30</td>
<td></td>
<td>0.53/YTC</td>
<td></td>
</tr>
<tr>
<td>7.35%</td>
<td>ACRK 2003-2 A1</td>
<td>06475MAK1</td>
<td>2.8</td>
<td>E+100</td>
<td></td>
<td>100</td>
<td></td>
<td>0.31/YTC</td>
<td></td>
</tr>
<tr>
<td>5.27%</td>
<td>SAIL 2005-7 M7</td>
<td>86355MWK3</td>
<td>3.8</td>
<td>E+65</td>
<td></td>
<td>0.55</td>
<td></td>
<td>1.00/YTC/AAA/AAA/AAA/AAA/AAA</td>
<td></td>
</tr>
<tr>
<td>10.00%</td>
<td>SAIL 2005-3 M8</td>
<td>86355MWK3</td>
<td>3.8</td>
<td>E+65</td>
<td></td>
<td>0.55</td>
<td></td>
<td>1.00/YTC/AAA/AAA/AAA/AAA/AAA</td>
<td></td>
</tr>
<tr>
<td>4.220%</td>
<td>CRW 2005-11 MFR</td>
<td>126670CRV4</td>
<td>4.0</td>
<td>N+500</td>
<td>33</td>
<td></td>
<td>0.31/YTC/AAA/AAA/AAA/AAA/AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.36%</td>
<td>GSSWP 2004-AW2 R4</td>
<td>36242D2Y6</td>
<td>0.8</td>
<td>E+500</td>
<td>45</td>
<td></td>
<td>0.36/YTC/AAA/AAA/AAA/AAA/AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Floating Home Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.247%</td>
<td>SYME 2003-4 A5</td>
<td>03411MWK3</td>
<td>0.4</td>
<td>E+90</td>
<td>35</td>
<td></td>
<td>0.97/YTC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.000%</td>
<td>CWL 2003-BCS A2Q</td>
<td>126670CRV4</td>
<td>0.6</td>
<td>E+90</td>
<td>35</td>
<td></td>
<td>0.76/YTC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.335%</td>
<td>ASFF 2006-HEL AA2 A2</td>
<td>00255MWK3</td>
<td>0.8</td>
<td>E+70</td>
<td>35</td>
<td></td>
<td>0.48/YTC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.025%</td>
<td>MESC 2004-HMB AM</td>
<td>61744UDD3</td>
<td>0.1</td>
<td>E+45</td>
<td>35</td>
<td></td>
<td>0.31/YTC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-F-02168108C
## Footnote Exhibits - Page 5395

| 2,000 | WMMB 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 4,000 | LWMY 2006-197-M7 | 32554FAX2.4 | 1.6 | +3000 | 100 | 63-063 | YTC/ba/baA+/baA+/baA+/baA+/baA+
| 7,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,000 | WWPE 2006-197-M7 | 32554FAX2.0 | 1.6 | +2000 | 100 | 59-103 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,842 | YSDI 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 63-063 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 7,000 | MAB 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 63-063 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+

### FIXED Alt-A

<table>
<thead>
<tr>
<th>AVL</th>
<th>Sped</th>
<th>Ppy</th>
<th>App</th>
<th>Proc</th>
<th>Fut</th>
<th>Notes</th>
</tr>
</thead>
</table>

### FLOATING Alt-A

<table>
<thead>
<tr>
<th>AVL</th>
<th>DM</th>
<th>Ppy</th>
<th>App</th>
<th>Proc</th>
<th>Fut</th>
<th>Notes</th>
</tr>
</thead>
</table>

| 4,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 7,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 4,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 20,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 20,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 7,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+

### Wall Street Funding

<table>
<thead>
<tr>
<th>AVL</th>
<th>DM</th>
<th>Ppy</th>
<th>App</th>
<th>Proc</th>
<th>Fut</th>
<th>Notes</th>
</tr>
</thead>
</table>

| 5000 | B2BBS 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 1,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5,000 | GAAA 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+

### Small Business Administration

<table>
<thead>
<tr>
<th>AVL</th>
<th>Sped</th>
<th>Ppy</th>
<th>App</th>
<th>Proc</th>
<th>Fut</th>
<th>Notes</th>
</tr>
</thead>
</table>

| 5000 | B2BBS 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5000 | B2BBS 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5000 | B2BBS 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5000 | B2BBS 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+
| 5000 | B2BBS 2006-197-M7 | 32554FAX2.0 | 1.6 | +1000 | 100 | 71-296 | YTC/ba/BBB+/BB+/BB+/BBB+/BBB+

### RIN

<table>
<thead>
<tr>
<th>AVL</th>
<th>Yield</th>
<th>Ppy</th>
<th>App</th>
<th>Proc</th>
<th>Fut</th>
<th>Notes</th>
</tr>
</thead>
</table>

---

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021881085

---

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01328 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
<table>
<thead>
<tr>
<th>Rating</th>
<th>Price</th>
<th>Spread</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>141</td>
<td>-15bp</td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>98</td>
<td>-14bp</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>1470</td>
<td>-163bp</td>
<td></td>
</tr>
<tr>
<td>BBB-</td>
<td>2318</td>
<td>-33bp</td>
<td></td>
</tr>
</tbody>
</table>

Disclaimer:
This material has been prepared specifically for you by the Fixed Income or J. Aron Trading/Sales Department and is not the product of Fixed Income or J. Aron Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Certain transactions, including those involving futures, options and high yield securities, give rise to substantial risk and are not suitable for all investors. We, or persons involved in the preparation or issuance of this material, may from time to time, have long or short positions in, and buy or sell, the securities, futures, options or other instruments and investments identical with or related to those mentioned herein. Goldman Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors and counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S. federal income tax benefits, without Goldman Sachs imposing any limitation of any kind. This material has been issued by Goldman, Sachs & Co. and has been approved by Goldman Sachs International, which is authorized and regulated by the Financial Services Authority, in connection with its distribution in the United Kingdom and by Goldman Sachs Canada in connection with its distribution in Canada. Further information on any of the securities, futures or options mentioned in this material may be obtained upon request.

This email has been scanned by the Frontright Email Security System. For more information, please visit http://www.frontright.com/solutions/message_security.php

Confidential Treatment Requested by Goldman Sachs
From: Bieber, Matthew G.
Sent: Friday, September 07, 2007 8:05 AM
To: Hellnick, Susan; Saunders, Tim; Horvath, Jordan
Cc: Lehman, David A.
Subject: RE: Timberwolf -- Default Swap Collateral

Matt:

Could you send me a copy of the CMO and the operative doc that contains our rights/obligations with respect to the collateral?

Thanks.

Susan Hellnick
Vice President & Assistant General Counsel
Goldman Sachs & Co.
One New York Plaza, 50th Floor
New York, New York 10004
Tel: (212) 901-9612
Fax: (917) 977-3540
susan.hellnick@goldman.com

From: Bieber, Matthew G.
Sent: Friday, September 07, 2007 7:46 AM
To: Saunders, Tim; Hellnick, Susan; Horvath, Jordan
Cc: Lehman, David A.
Subject: RE: Timberwolf -- Default Swap Collateral
Importance: High

Please see email we received below - wanted to get your take on what response (if any) we should craft. This is related to the default swap collateral account at Timberwolf used to collateralize the exposure we have to the CDO on the CDS contracts that are the assets in TWDLCF.

From: Joe Marcucci [mailto:Joe.Marcucci@graywolfcapital.com]
Sent: Friday, September 07, 2007 7:23 AM
To: Lehman, David A.
Cc: Joe Marcucci; Greg Mount; Bieber, Matthew G.; Swenson, Michael

Confidential Treatment Requested by Goldman Sachs

Wall Street & The Financial Crisis
Report Footnote 1356
Joe Marconi
GREYWOLF CAPITAL
4 Manhattanville Road, Suite 201
Purchase, NY 10577
Phone: (914) 251-8041
Fax: (914) 251-8042
E-mail: Joe.marconi@greywolfcapital.com

CONFIDENTIALITY NOTICE
This e-mail, including all attachments, is confidential and is intended for the sole use of the designated recipient(s) and others to whom it is authorized to be disclosed. If you are not the intended recipient or an authorized agent of the intended recipient, please notify the sender immediately by replying to this e-mail and do not copy, disclose, distribute, or rely on this e-mail or any of its content.

From: Joe Marconi
Sent: Thursday, September 06, 2007 9:15 AM
To: david.lately@bgs.com
Cc: Joe Marconi, Greg Mount, Bobos, Matthew L; Swenson, Michael

Subject: FW: Timberwolf -- Default Swap Collateral
Importance: High

David: I would like to call you with this email to discuss the purchase of Default Swap Collateral into Timberwolf. I understand you are traveling this week. Let me know when you will have some time to talk. In response to the attached message, Matt told me that GS will not approve the purchase of any additional Default Swap Collateral into Timberwolf. While GS does have consent rights regarding the purchase of Default Swap Collateral, a blanket refusal to approve any assets is inappropriate, inconsistent with the parties' original expectations and will negatively impact the performance of both the deals and equity issued by Timberwolf. Give me a call when you can.

Joe Marconi
GREYWOLF CAPITAL
4 Manhattanville Road, Suite 201
Purchase, NY 10577
Phone: (914) 251-8041
Fax: (914) 251-8042
E-mail: Joe.marconi@greywolfcapital.com

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021881085

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01331 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
Footnote Exhibits - Page 5399

Roman:

We are doing our credit work on these 3 bonds which are shown on the GS Inventory sheet. If we get comfortable with these positions, would GSI be ok adding them to Timberwolf as Default Swap Collateral? We should be done with our credit work today.

Thanks, Joe.

<table>
<thead>
<tr>
<th>Floating Home Equity</th>
<th>AVL</th>
<th>DM</th>
<th>Ppy</th>
<th>App Prc</th>
<th>Pctr/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>75.247</td>
<td>8361MBRS3 0.4</td>
<td>+90</td>
<td>35</td>
<td>99-191</td>
<td>1.00/TC</td>
</tr>
<tr>
<td>5.000</td>
<td>12670HCC0 0.6</td>
<td>+90</td>
<td>35</td>
<td>99-135</td>
<td>0.76/TC</td>
</tr>
<tr>
<td>13.335</td>
<td>0073MAB5 0.8</td>
<td>+70</td>
<td>20</td>
<td>99-161</td>
<td>0.68/TC</td>
</tr>
</tbody>
</table>

From: Brus, William (mailto:William.Brus@g.com)
Sent: Thursday, September 06, 2007 7:48 AM
To: undisclosed-recipients
Subject: Goldman Sachs ABS Inventory (Internal)

ABS Cash Trading: Mike Swenson verb Salem Edwin Chiu Jordan Kneubaur Will Brus
+1 (212) 902-9950

In notes:
- CMNE announced a 8500mm deal.

In cards:
- CCOT announced a 6750mm deal.

<inventory.xlsx>

<table>
<thead>
<tr>
<th>Asset</th>
<th>Issue</th>
<th>CUSIP</th>
<th>AVL</th>
<th>Spred</th>
<th>Ppy</th>
<th>Price</th>
<th>Pctr/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED Credit Cards/dealer Floorplan/Student Loans</td>
<td>3.750</td>
<td>MMHS 2003-A11A11</td>
<td>552644CKZ 1.1</td>
<td>+24</td>
<td>98-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td>3.750</td>
<td>WCIT 2003-A9A9</td>
<td>064393RE5 1.1</td>
<td>+24</td>
<td>SOLO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00/YTC/AAA/AAA</td>
<td>10.000</td>
<td>MMHN 1999-J B</td>
<td>55264TV1V 2.0</td>
<td>+50</td>
<td>104-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00/YTC/A1+/AAA/A</td>
<td>1.00/YTC/AAA/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FLOATING Credit Cards/dealer Floorplan/Autos/UK &amp; Aussie RMBS/Equipment/Stranded Coat</td>
<td>3.300</td>
<td>CHNT 2005-1 A</td>
<td>126155XMO 0.8</td>
<td>+20</td>
<td>99-297</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td>1.500</td>
<td>WCIT 2007-A2 A2</td>
<td>17303OOG1 2.7</td>
<td>+28</td>
<td>99-072</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021981096
Footnote Exhibits - Page 5400

<table>
<thead>
<tr>
<th>FIXED Auto &amp; Equipment Loans</th>
<th>AVL</th>
<th>Spred</th>
<th>Ppy</th>
<th>Handle</th>
<th>Ftrt/Motrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>41.780</td>
<td>GMAC 2006-1 A4</td>
<td>362922M81 0.0</td>
<td>0.35</td>
<td>0.25</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>8.355</td>
<td>HAVOT 2003-8 A4</td>
<td>173526A64 0.3</td>
<td>0.35</td>
<td>0.15</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>5.000</td>
<td>ABERQ 2003-3 A3</td>
<td>001354A46 0.7</td>
<td>0.25</td>
<td>0.00</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>7.000</td>
<td>GMAC 2005-6 A4</td>
<td>362920N24 1.3</td>
<td>0.40</td>
<td>0.33</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>7.150</td>
<td>HOMOT 2005-2 A2</td>
<td>412804A01 1.1</td>
<td>0.35</td>
<td>0.45</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>3.750</td>
<td>TANOT 2006-C A3</td>
<td>895784A02 1.4</td>
<td>0.55</td>
<td>0.45</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>4.000</td>
<td>HERTZ 2004-1 A3</td>
<td>428704A03 1.0</td>
<td>0.25</td>
<td>0.00</td>
<td>99-5/1YTC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FIXED Stranded Cost</th>
<th>AVL</th>
<th>Spred</th>
<th>Ppy</th>
<th>Handle</th>
<th>Ftrt/Motrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.000</td>
<td>CRF 2001-1 A3</td>
<td>755932M21 1.3</td>
<td>0.25</td>
<td>0.99</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>5.600</td>
<td>CIVL 2002-1 A3</td>
<td>124170A01 1.7</td>
<td>0.25</td>
<td>0.00</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>4.600</td>
<td>CONF 2001-1 A3</td>
<td>210520A01 1.3</td>
<td>0.20</td>
<td>0.81</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>5.040</td>
<td>CONF 2001-1 A5</td>
<td>216520A01 1.7</td>
<td>0.28</td>
<td>0.81</td>
<td>99-5/1YTC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Student Loans</th>
<th>AVL</th>
<th>Ppy</th>
<th>DM</th>
<th>App Pre</th>
<th>Ftrt/Motrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.650</td>
<td>SDLA 2006-9 A2</td>
<td>78443N45 1.5</td>
<td>1.20</td>
<td>100</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>50.025</td>
<td>SUNA 2006-6 A1</td>
<td>83149N45 1.5</td>
<td>1.20</td>
<td>150</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>13.675</td>
<td>SDLA 2007-3 A1</td>
<td>78443N44 0.8</td>
<td>1.20</td>
<td>20</td>
<td>99-5/253</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FIXED Home Equity</th>
<th>AVL</th>
<th>Spred</th>
<th>Ppy</th>
<th>Handle</th>
<th>Ftrt/Motrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.000</td>
<td>CMWL 2002-4 A5</td>
<td>125677A01 0.2</td>
<td>0.50</td>
<td>25</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>5.000</td>
<td>POPIA 2003-1 A3</td>
<td>73316N45 1.0</td>
<td>0.45</td>
<td>15</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>24.000</td>
<td>CHAS 2004-1 A1</td>
<td>04546N45 1.4</td>
<td>0.25</td>
<td>0.20</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>7,585</td>
<td>CCCH 2003-2 A1</td>
<td>00437N43 2.8</td>
<td>0.10</td>
<td>100</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>5.273</td>
<td>SAIL 2006-6 A7</td>
<td>86358N43 3.0</td>
<td>0.25</td>
<td>100</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>4.000</td>
<td>FTC/CM/BR/BB/</td>
<td>126670A01 4.0</td>
<td>0.50</td>
<td>50</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>1.000</td>
<td>FTC/CM/BB/</td>
<td>86358N43 3.8</td>
<td>0.25</td>
<td>100</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>4.220</td>
<td>CMWL 2005-11 A6</td>
<td>126670D01 4.0</td>
<td>0.50</td>
<td>50</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>1.000</td>
<td>FTC/CM/BB/</td>
<td>86358N43 3.8</td>
<td>0.25</td>
<td>100</td>
<td>99-5/1YTC</td>
</tr>
<tr>
<td>4.364</td>
<td>GSAM 2004-AR2 B4</td>
<td>362422D01 0.0</td>
<td>1.10</td>
<td>50</td>
<td>99-5/1YTC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FLOATING Home Equity</th>
<th>AVL</th>
<th>Spred</th>
<th>Ppy</th>
<th>App Pre</th>
<th>Ftrt/Motrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.247</td>
<td>SVVR 2005-6 A3</td>
<td>81611N43 0.6</td>
<td>0.20</td>
<td>35</td>
<td>99-191</td>
</tr>
<tr>
<td>5.000</td>
<td>CMWL 2004-DCS A2</td>
<td>112670C01 0.6</td>
<td>0.20</td>
<td>35</td>
<td>99-195</td>
</tr>
<tr>
<td>13.335</td>
<td>HBFO 2006-3 A2A</td>
<td>00079N43 0.5</td>
<td>0.20</td>
<td>35</td>
<td>99-191</td>
</tr>
<tr>
<td>20.000</td>
<td>HSAC 2007-HBB A4</td>
<td>61744N43 0.1</td>
<td>0.25</td>
<td>35</td>
<td>99-191</td>
</tr>
<tr>
<td>7.180</td>
<td>CMITI 2007-WBH2 A3</td>
<td>17312N43 2.3</td>
<td>0.25</td>
<td>100</td>
<td>99-191</td>
</tr>
<tr>
<td>2.000</td>
<td>OWNIT 2005-5 A2</td>
<td>61211N43 2.8</td>
<td>0.30</td>
<td>100</td>
<td>99-191</td>
</tr>
<tr>
<td>12.000</td>
<td>GSAM 2005-NMC5 A1B</td>
<td>36241L02 3.0</td>
<td>0.35</td>
<td>20</td>
<td>99-191</td>
</tr>
<tr>
<td>10.000</td>
<td>JPMAC 2006-MC5 A5</td>
<td>44516L02 4.7</td>
<td>0.15</td>
<td>100</td>
<td>99-191</td>
</tr>
<tr>
<td>11.000</td>
<td>GSAM 2005-NMC5 A2</td>
<td>36241L02 2.0</td>
<td>0.30</td>
<td>100</td>
<td>99-191</td>
</tr>
<tr>
<td>6.327</td>
<td>TMWS 2006-2 A3</td>
<td>88156E28 3.9</td>
<td>0.35</td>
<td>83</td>
<td>99-191</td>
</tr>
<tr>
<td>10.000</td>
<td>ANS1 2005-3 A2</td>
<td>03076L02 1.5</td>
<td>0.25</td>
<td>100</td>
<td>99-5/1YTC</td>
</tr>
</tbody>
</table>
I am an attorney employed by Goldman, Sachs & Co. ("Goldman Sachs") and, during 2007, my coverage responsibilities included, among other things, providing advice to the firm’s Mortgages Department. I have no present recollection of the circumstances surrounding any disagreement between Goldman Sachs and Greywolf Capital Management LP regarding Goldman Sachs’ right to consent to reinvestment of default swap collateral in Timberwolf I. I am aware that certain documents from that period appear to reflect that I may have been consulted in connection with the firm’s dealings with Greywolf on this issue in September 2007, but reviewing these documents has not refreshed my present recollection.

Timothy K. Saunders, Jr.
Managing Director & Associate General Counsel
Goldman, Sachs & Co.

December 22, 2010
Date
From August 27, 2007 through November 2008, I was employed by Goldman, Sachs & Co. ("Goldman Sachs" or the "Firm") as an attorney in its legal department, reporting to Tim Sanders. Throughout this time, my responsibilities included, among other things, providing advice to the Firm's Mortgages Department. Although I recall that a party raised issues concerning Goldman Sachs' right to consent to certain actions related to collateralized debt obligations, I have no recollection of any additional circumstances surrounding those issues, including the identity of the party that raised them, what the consent rights related to or any discussions concerning these issues. Although I understand that there are emails that suggest that a meeting was held to discuss these issues, I have no recollection of such a meeting, or whether a meeting even occurred. I have reviewed the documents identified by the Subcommittee staff that appear to reflect that I may have been asked to attend a meeting to discuss the Firm's dealings with Greywolf Capital Management LP on this issue in September 2007, but reviewing those documents has not refreshed my present recollection.

[Signature]

Date

Permanent Subcommittees on Investigations
Wall Street & The Financial Crisis
Report Footnote #2657
From November 2006 through November 2008, I was employed by Goldman, Sachs & Co. ("Goldman Sachs" or the "Firm") in its Compliance department. During this time, I was assigned to provide coverage to the Firm's Mortgages Department. I have no present recollection of the circumstances surrounding any disagreement between Goldman Sachs and Greywolf Capital Management LP ("Greywolf") regarding Goldman Sachs' right to consent to reinvestment of default swap collateral in Timberwolf 1. I have reviewed the documents identified by the Subcommittee staff that appear to reflect that I was invited to a meeting to discuss the Firm's dealings with Greywolf on this issue in September 2007, but reviewing these documents has not refreshed my present recollection. I would also note that my job responsibilities at the time did not include reviewing or interpreting transactional documents such as indentures, and it was not my practice to do so.

[Signature]

[Date]

Jordan Horvath

Permanent Subcommittee on Investigations

Wall Street & The Financial Crisis

Report Footnote #2657
I am a Managing Director at Goldman, Sachs & Co. ("Goldman Sachs" or "the Firm") and the
co-head of the Structured Products Group Trading Desk, a position I have held since 2006.

As I discussed during my interview with the Subcommittee staff on September 27, 2010, my
understanding is that on deals in which there was a collateral manager, such as the Timberwolf I
CDO, the collateral manager would source collateral investments subject to the terms specified
in the offering documents. Although I do not recall the specific rights that Goldman Sachs had
under the agreements for each deal, my understanding is that Goldman Sachs generally retained
the right to consent to the selection of collateral in order to protect its interests in the transaction.
As I also explained in my Subcommittee interview, I do not recall any formal agreements, other
than the operative agreement for the deals, limiting the assets the collateral manager could select
as default swap collateral. Further, as I stated in my interview, although I recall that counsel was
consulted on the issue of contractual provisions relating to collateral reinvestment, I do not recall
any advice counsel gave. I also recall informal discussions concerning the extent of Goldman
Sachs' exposure related to collateral in CDOs, but do not recall any resolution of this issue. I do
not recall there being a significant debate with collateral managers on this subject.

More specifically, I have no present recollection of the circumstances surrounding any
discussions between Goldman Sachs and Greywolf Capital Management LP ("Greywolf")
regarding Goldman Sachs' right to consent to reinvestment of default swap collateral in
Timberwolf I. I have reviewed documents showing that I was emailed in September 2007 by Joe
Marconi of Greywolf in connection with the Firm's dealings with Greywolf on this issue and
was carbon copied on emails proposing an internal meeting regarding the subject, but reviewing
these documents has not refreshed my present recollection. I have no present recollection of
what might have been discussed in such a meeting or even if such a meeting ever occurred.

David Lehman
Managing Director
Goldman, Sachs & Co.

1/26/11

Date
Spoke with legal/compliance. Not doing anything w/o discussing with dan first. Agree with the point on consistency.

-----Original Message-----
From: Lehman, David A.
Sent: Friday, September 07, 2007 6:13 PM
To: Bieber, Matthew G.
Subject: Re: Timberwolf -- Default Swap Collateral

U spoke w sopo?
What abt legal/compliance
Just make sure Dan is ok w it
Also I do thk we shd be consistent across deals...so if simes and credit cards are "ok" I thk we tell our msg that...maybe 2yrs and shorter

----- Original Message ----- 
From: Bieber, Matthew G.
To: Lehman, David A.
Sent: Fri Sep 07 18:08:35 2007
Subject: Re: Timberwolf -- Default swap Collateral

Yeah - I need to speak with dan...we're thinking about offering some 1-3 yr SIMMs

-----Original Message-----
From: Lehman, David A.
Sent: Friday, September 07, 2007 6:07 PM
To: Bieber, Matthew G.
Subject: Fw: Timberwolf -- Default Swap Collateral
Importance: High

Any action steps on this?
Footnote Exhibits - Page 5409

Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tel: 212-902-2327 | Fax: 212-902-1691 | Mob: 917-
E-mail: david.lehman@goldman.com

----- Original Message -----
From: Joe Marconi <jmarconi@greywolfcap.com>
To: Lehman, David A.
Cc: Joe Marconi <jmarconi@greywolfcap.com>; Greg Mount
    <gmount@greywolfcap.com>; Bieber, Matthew G.; Swenson, Michael
Sent: Fri Sep 07 01:12:18 2007
Subject: RE: TimberWolf -- Default Swap Collateral

David:

As we discussed yesterday, I believe that your refusal to approve the purchase of any additional Default Swap Collateral into TimberWolf is unreasonable and inconsistent with the way the transaction structure was originally presented to us. We were told that the purpose of the approval rights was to permit GS to review specific assets and approve or disapprove specific assets based on their relative credit merits. If we thought for a second that you had the right to prohibit all new purchases indefinitely, we would have implemented the much simpler GIC structure that is used in most other synthetic CDs and CDOs transactions and thereby locked in a fixed spread to LIBOR for the term of our transactions. Also, the TimberWolf CDS economics include an ongoing fee to GS for the put swap component of the trade; we would not have agreed to these terms if we thought you had this option. Finally, I believe that if anyone on the deal team thought you had this option, it would have been clearly disclosed in the UU. Especially given current market conditions, I am surprised that you are taking a position that will directly result in less cash flow being available to debt and equity investors. As I said yesterday, we recognize the impact of current market conditions and, even before I spoke with Matt, I was suggesting that we collectively focus on shorter average life AAA RMBS for the deal and I specifically solicited feedback on securities where GS would be comfortable. I continue to be surprised by your response. Joe.

Joe Marconi
GREYWOLF CAPITAL
4 Manhassetville Road, Suite 201
Purchase, NY 10577

P: 914.251.8249
F: 914.251.8244
M: 914-4
E: Joe.marconi@greywolfcap.com

CONFIDENTIALITY NOTICE:
This email, including attachment(s), is confidential and is intended for the exclusive use of the designated recipient(s) named above. If the reader of this email is not the intended recipient or an authorized agent of the intended recipient, you are hereby notified that any dissemination, distribution or copying of this email is prohibited. If you have received this email in error, please notify the sender immediately by replying to this email and delete this email and any attachment(s) from your system. Thank You. Greywolf Capital Management LP.

Joe Marconi
Sent: Thursday, September 06, 2007 9:19 AM
To: David Lehman <dlehman@goldman.com>
Cc: Joe Marconi; Greg Mount; Bieber, Matthew G.; Swenson, Michael

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-000766415

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01342 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
Subject: The Timberwolf -- Default Swap Collateral

Hi,

I would like to have a call with you to discuss the purchase of Default Swap Collateral into Timberwolf. I understand you are traveling this week, let me know when you will have some time to talk. In response to the attached message, Matt told me that GS will not approve the purchase of any additional Default Swap Collateral into Timberwolf. While GS does have consent rights regarding the purchase of Default Swap Collateral, a blanket refusal to approve any assets is inappropriate, inconsistent with the parties' original expectations and will negatively impact the performance of both the debt and equity issued by Timberwolf. Give me a call when you can, Joe.

Joe Macrae
GREYWOLF CAPITAL
4 Manhattanville Road, Suite 201
Purchase, NY 10577
P: 914.231.8246
F: 914.231.8248
E: Joe.Macrae@greywolfcapital.com
M: willow@greywolfcapital.com

CONFIDENTIALITY NOTICE:
This email, including attachment(s), is confidential and is intended for the exclusive use of the designated recipient(s) named above. If the reader of this email is not the intended recipient or its authorized agent, the reader is hereby notified that any dissemination, distribution or copying of this email is prohibited. If you have received this email in error, please notify the sender immediately by replying to this email and delete this email and any attachment(s) from your system. Thank You Greywolf Capital Management LP.

From: Joe Macrae
Sent: Thursday, September 06, 2007 8:17 AM
To: "Timberwolf, Robert"
Cc: Joe Macrae; Rieber, Matthew G.; "Marcin, Nicola"
Subject: Timberwolf -- Default Swap Collateral

Robert,

We are doing our credit work on these 3 bonds which are shown on the GS inventory sheet. If we get comfortable with these positions, would GS be ok adding them to Timberwolf as Default Swap Collateral? We should be done with our credit work today.

Thanks, Joe.

FATTING Rate Equity

<table>
<thead>
<tr>
<th>STR</th>
<th>SULT 200/1 2X3</th>
<th>AVG</th>
<th>DM</th>
<th>Ppy</th>
<th>App Pro</th>
<th>Freq/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>75.247</td>
<td>08412MRE 0.6</td>
<td>90</td>
<td>35</td>
<td>99-191</td>
<td>1.05/1/MC</td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MSS-E-003766416
From: Brun, William [mailto:William.Brun@gs.com]
Sent: Thursday, September 06, 2007 7:48 AM
To: undisclosed-recipients:
Subject: Goldman Sachs ABS Inventory (External)

ABS Cash Trading: Mike Swensen Deeb Salem Edwin Chin Jordan Kaufman Will Brun
(212)802-5090

In autos:
- CARRM announced a 550cm deal.

In cards:
- CCIT announced a 750cm deal.

---

<inventory.xls>

<table>
<thead>
<tr>
<th>Asset</th>
<th>Issue</th>
<th>CE1EF</th>
<th>AVG</th>
<th>Spread</th>
<th>Fpy</th>
<th>Price</th>
<th>FootNotes</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.750</td>
<td>MBFAS 2001-A1 A1</td>
<td>352547C61 2.1</td>
<td>E+24</td>
<td>98-</td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.750</td>
<td>MBIT 2001-A9 A9</td>
<td>352333855 1.1</td>
<td>E+24</td>
<td>98-</td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.00</td>
<td>MMRM 1999-A B</td>
<td>551627EY1 2.0</td>
<td>M+90</td>
<td>104-</td>
<td>1.00/YTC/A/A/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FLOWING Credit Cards/Dealer Floorplan/Auto/UK &amp; Aussie RMBS/Equipment/Stranded Cost</td>
<td>3.00</td>
<td>CMNIT 2005-1 A</td>
<td>3263158RD 0.9</td>
<td>E+20</td>
<td>99-</td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
</tr>
<tr>
<td>1.00</td>
<td>CCIT 2007-A2 A2</td>
<td>370352EY1 2.7</td>
<td>E+20</td>
<td>99-</td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.50</td>
<td>COMIT 2004-C2 C2</td>
<td>103180988 1.4</td>
<td>E+20</td>
<td>99-</td>
<td>1.00/YTC/AAA/AAA/AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00</td>
<td>YTC/AAA/AAA/AAA</td>
<td>351592EG7 N/A</td>
<td>E+300</td>
<td>90-101</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIXED Auto &amp; Equipment Loans</td>
<td>41.760</td>
<td>GALT 2004-1 A4</td>
<td>3623738M3 0.0</td>
<td>E+35</td>
<td>1.25</td>
<td>100-</td>
<td>0.47/YTC</td>
</tr>
<tr>
<td>8.555</td>
<td>RAYOT 2003-B A4</td>
<td>6399655D6 0.3</td>
<td>E+50</td>
<td>0.75</td>
<td>98-</td>
<td>0.71/YTC</td>
<td></td>
</tr>
<tr>
<td>3.000</td>
<td>AESOY 2003-1 A3</td>
<td>3632818AE 0.7</td>
<td>E+75</td>
<td>0.60</td>
<td>98-</td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>7.000</td>
<td>GALT 2003-1 A4</td>
<td>3623738M3 1.3</td>
<td>E+40</td>
<td>1.35</td>
<td>98-</td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>2.151</td>
<td>RAYOT 2003-2 A2</td>
<td>4123918AV 1.1</td>
<td>E+30</td>
<td>1.45</td>
<td>98-</td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>3.750</td>
<td>TANTO 2004-C A3</td>
<td>859759CN3 1.4</td>
<td>E+25</td>
<td>1.45</td>
<td>98-</td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>17.210</td>
<td>NERTS 2004-A1 A2</td>
<td>428350AC3 0.5</td>
<td>E+25</td>
<td>0.60</td>
<td>98-</td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>FIXED Stranded Cost</td>
<td>15.000</td>
<td>CMP 2001-1 A3</td>
<td>7593506C4 1.3</td>
<td>E+20</td>
<td>0</td>
<td>98-</td>
<td>1.00/YTC</td>
</tr>
<tr>
<td>5.000</td>
<td>CFL 2002-1 A3</td>
<td>126171AC1 1.7</td>
<td>E+20</td>
<td>0</td>
<td>100-</td>
<td>1.00/YTC</td>
<td></td>
</tr>
<tr>
<td>4.000</td>
<td>CUMF 2001-A1</td>
<td>210523AM9 1.3</td>
<td>E+20</td>
<td>0</td>
<td>99-</td>
<td>0.80/YTC</td>
<td></td>
</tr>
<tr>
<td>5.060</td>
<td>CUMF 2001-A5</td>
<td>210523AM9 6.2</td>
<td>M+28</td>
<td>101</td>
<td>1.00/YTC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Loans</td>
<td>4.650</td>
<td>SIMA 2006-9 A2</td>
<td>784430AA1 1.5</td>
<td>E+20</td>
<td>100-</td>
<td>0.87/YTC</td>
<td></td>
</tr>
<tr>
<td>5.025</td>
<td>SIMA 2006-6 A1</td>
<td>831409AA2 1.5</td>
<td>E+20</td>
<td>150</td>
<td>99-205</td>
<td>0.68/YTC</td>
<td></td>
</tr>
<tr>
<td>13.675</td>
<td>SIMA 2007-3 A1</td>
<td>784430AA1 0.8</td>
<td>E+20</td>
<td>20</td>
<td>99-253</td>
<td>0.61/YTC</td>
<td></td>
</tr>
<tr>
<td>FIXED Home Equity</td>
<td>12.000</td>
<td>CMS 2002-9 A5</td>
<td>126671UD6 0.2</td>
<td>E+50</td>
<td>99-</td>
<td>0.87/YTC</td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000786417
<table>
<thead>
<tr>
<th>Symbol</th>
<th>Security</th>
<th>Quantity</th>
<th>Price</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1341</td>
<td>FPOA 2005-1 AFS</td>
<td>E+65</td>
<td>55</td>
<td>0.07/YC</td>
</tr>
<tr>
<td>5,000</td>
<td>CBAA 2005-1 AFS</td>
<td>E+55</td>
<td>50</td>
<td>0.03/YC</td>
</tr>
<tr>
<td>7,585</td>
<td>ACRS 2003-2 A1</td>
<td>E+100</td>
<td>95</td>
<td>0.31/TTC</td>
</tr>
<tr>
<td>5,273</td>
<td>SBAL 2005-6 M7</td>
<td>55</td>
<td>1.00/TTC/ba3/bbb+</td>
<td></td>
</tr>
<tr>
<td>10,008</td>
<td>SBAL 2005-5 M8</td>
<td>45</td>
<td>1.00/YC/ba3/bbb+</td>
<td></td>
</tr>
<tr>
<td>4,220</td>
<td>OWL 2005-11 M9</td>
<td>65</td>
<td>0.17/TTC/ba1/bb+</td>
<td></td>
</tr>
<tr>
<td>4,364</td>
<td>GAMP 2004-MR B4</td>
<td>E+1500</td>
<td>45</td>
<td>0.36/TTC/ba1/bb+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Security</th>
<th>Quantity</th>
<th>Price</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>75,247</td>
<td>EVRR 2005-4 IA1</td>
<td>AVL</td>
<td>95</td>
<td>53-</td>
</tr>
<tr>
<td>2,500</td>
<td>OWL 2005-3 CS A2</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>12,335</td>
<td>ABRC 2006-HS A2A</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>20,000</td>
<td>HSCA 2004-HS A4</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>5,000</td>
<td>CMRI 2007-WF2 A3</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>2,000</td>
<td>CMRI 2006-5 A2C</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>12,000</td>
<td>OSPF 2005-WNCS A1B</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>10,000</td>
<td>SMAC 2005-6 M1 A</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>11,000</td>
<td>GAMP 2005-WNCS A2C</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>9,437</td>
<td>TMTS 2006-3 IA1</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>10,000</td>
<td>AMPS 2005-6 M1 A</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>2,000</td>
<td>RSCS 2005-AULV M2</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>7,115</td>
<td>RAVR 2006-6 M1</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>3,950</td>
<td>HSA 2006-6 M1</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>15,836</td>
<td>GAMP 2005-6 M1</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>12,376</td>
<td>GAMP 2007-WMF M3</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>15,992</td>
<td>GAMP 2006-WNCS M3</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>16,000</td>
<td>GAMP 2007-DPM M4</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>3,000</td>
<td>ACE 2004-6 M1</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>7,010</td>
<td>GAMP 2004-WCS M3</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>9,341</td>
<td>RSBAB 2005-3 M3</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>10,554</td>
<td>ABRC 2003-6 M5</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>2,500</td>
<td>SBAL 2005-2 M5</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>2,500</td>
<td>SBAL 2005-6 M3</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>2,000</td>
<td>OWL 2005-3 M3</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>1,000</td>
<td>CMRI 2005-CMT M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>8,773</td>
<td>ABRC 2006-OPF M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>1,029</td>
<td>CRRS 2005-6 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>10,378</td>
<td>GAMP 2006-5 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>3,902</td>
<td>JWWC 2004-3 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>12,446</td>
<td>CMRI 2007-WM M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>2,499</td>
<td>HSCA 2005-8 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>3,320</td>
<td>JWWC 2004-8 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>2,500</td>
<td>SBAL 2005-6 M5</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>3,000</td>
<td>HSA 2005-6 M5</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>3,800</td>
<td>ABRC 2006-5 M5</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>4,000</td>
<td>RSBAB 2005-6 M5</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>6,000</td>
<td>SMMRI 2006-9 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>2,438</td>
<td>CMRI 2008-HS M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>6,802</td>
<td>MCHR 2005-3 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>7,278</td>
<td>SMAC 2006-6 M1</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>9,833</td>
<td>HSEI 2007-1 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>5,000</td>
<td>ADRE 2007-M1</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>3,000</td>
<td>ACC 2007-1 M6</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>1,000</td>
<td>ACE 2003-6 M1</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
<tr>
<td>1,000</td>
<td>GAMP 2006-SC1 BZ</td>
<td>AVL</td>
<td>90</td>
<td>55-</td>
</tr>
</tbody>
</table>
Footnote Exhibits - Page 5413

| 14342 | ACE 2003-HXI M0 | DE421MK0 0.2 | $6,000 | 45 |
| 14342 | SACO 2006-6 B1 | DE773RMA 2.6 | $9,000 | 40 |
| 14342 | CMG 2009-13 MW | 16611HMK 2.2 | $9,000 | 40 |
| 14342 | WHIT 2006-1 M7 | 9478E3J 2.8 | $9,000 | 100 |
| 14342 | MCRE 2006-HXI K3 | 9802VJG 2.9 | $13,000 | 33 |
| 14342 | SYKE 2006-OPQ M7 | 8611TMH 2.9 | $2250 | 83 |
| 14342 | GSPF 2006-HEX M7 | 3652HSAJ 3.1 | $4100 | 100 |
| 14342 | HEAT 2006-6 M7 | 43708TJ 3.2 | $4200 | 100 |
| 14342 | FHLM 2008-F13 M7 | 39147AM 3.4 | $1200 | 100 |
| 14342 | JURF 2006-NCH B1 | 86791AMG 3.3 | $1200 | 53 |
| 14342 | JURF 2006-NCH T7 | 43708WMA 3.4 | $1200 | 100 |
| 14342 | CRM 2006-8 M7 | 94514TJ 3.7 | $4400 | 83 |
| 14342 | GSPF 2006-HEF M7 | 6362HRA 3.6 | $1400 | 100 |
| 14342 | LONCF 2006-I0 M7 | 93941AMJ 3.7 | $1200 | 100 |
| 14342 | WARRS 2006-HEJ M7 | 54024LMA 3.6 | $2000 | 100 |
| 14342 | GSPF 2007-NCH M7 | 6362HMA 3.8 | $1200 | 100 |
| 14342 | WARRS 2007-K2E M7 | 93967AMO 3.9 | $2000 | 100 |
| 14342 | GSPF 2007-NCH B1 | 86792AF 4.0 | $1400 | 53 |
| 14342 | HEC 2007-NCH B1 | 81750JMA 4.7 | $4400 | 53 |

2,000 | HEC 2005-KNCI B3 | 67144CGT 0.6 | $550 | 83 |
5,000 | PFMT 2005-6 FA | 35729XK 1.2 | $550 | 54 |
10,218 | PFMT 2004-WCL M7 | 100699J 1.3 | $2000 | 84 |
4,500 | ECR 2005-8 M8 | 29589PE 1.9 | $2000 | 40 |
3,000 | LMEMS 2005-8 M9 | 656608R 2.1 | $2000 | 100 |
3,100 | HSCF 2005-KXZ M9 | 57391AMW 2.1 | $1700 | 40 |
2,400 | GSPF 2005-OPR M9 | 85611JME 2.8 | $1200 | 33 |
7,156 | GSPF 2006-HEB M9 | 36644XPA 2.9 | $1200 | 100 |
1,500 | PFMT 2006-A M9 | 35729PAP 2.9 | $2600 | 100 |
1,000 | WARRS 2006-8 M9 | 64730XNP 3.0 | $1300 | 100 |
8,410 | GSPF 2006-HEB M9 | 6362HRA 3.6 | $1400 | 100 |
3,131 | PFMT 2006-D M9 | 35729PAP 3.6 | $1700 | 100 |
6,080 | LMEMS 2006-8 M9 | 85611JME 3.7 | $1300 | 30 |
7,100 | WAAP 2006-K2E M9 | 75156MM 3.9 | $2000 | 100 |
1,421 | HEC 2006-HEB B3 | 81750JMA 4.1 | $6250 | 53 |

<table>
<thead>
<tr>
<th>AVL</th>
<th>Spd</th>
<th>Ppy</th>
<th>App</th>
<th>Pro</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVL</td>
<td>IM</td>
<td>Ppy</td>
<td>App</td>
<td>Pro</td>
<td>Notes</td>
</tr>
</tbody>
</table>

FIXED AI-

Planting AAI-

4,000 | GSAA 2006-10 AVL | 36275SAG 0.6 | $75 | 20 |
7,500 | GSAA 2006-3 AI | 38233SAX 1.0 | $75 | 20 |
4,300 | GSAA 2006-12 AI | 36231AAG 1.2 | $75 | 20 |
20,000 | GSAA 2006-19 AI | 36231AAG 1.2 | $75 | 100 |
21,000 | GSAA 2004-4 AI | 36231AAG 1.2 | $75 | 100 |
21,100 | TMM 2006-12 A2 | 36231AAG 1.2 | $75 | 100 |
3,000 | GSAA 2006-19 A2 | 36231AAG 1.2 | $75 | 100 |
20,000 | GSAA 2005-15 A2A | 36231AAG 1.2 | $75 | 100 |

15,000 | IM P2004-15 DM2 | 42525HIS 0.9 | $300 | 20 |
10,266 | IM P2004-15 DM2 | 63595IAE 1.0 | $400 | 20 |
5,000 | RBARS 2007-12 A2 | 73839IAE 2.2 | $400 | 20 |

1,000 | GSAA 2005-8 R2 | 36242O3A 1.0 | $300 | 20 |
1,025 | TC/AM/8/BBB/B5 | 72080S2A 1.0 | $300 | 20 |
26,700 | GSAA 2005-9 M3 | 36231HOT 3.1 | $2500 | 20 |
3,730 | GSAA 2006-14 M3 | 36231HOT 3.1 | $2500 | 20 |
1,000 | GSAA 2006-14 M3 | 36231HOT 3.1 | $2500 | 20 |
6,533 | GSAA 2005-11 M4 | 36231HOT 3.1 | $2500 | 20 |
6,552 | HFCF 2005-12 A2 | 73839IAE 1.2 | $350 | 20 |

William Street Funding

Small Business Administration

GS MBS-E-000706419

Confidential Treatment Requested by Goldman Sachs
### Footnote Exhibits - Page 5414

<table>
<thead>
<tr>
<th>SP CCIs</th>
<th>AVL Yield</th>
<th>Fpy</th>
<th>App Pro</th>
<th>Ftr/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HMs</strong></td>
<td><strong>AVL</strong></td>
<td><strong>DM</strong></td>
<td><strong>Fpy</strong></td>
<td><strong>App Pro</strong></td>
</tr>
<tr>
<td>Floating</td>
<td>Fixed</td>
<td>Yield</td>
<td>Fpy</td>
<td>App Pro</td>
</tr>
<tr>
<td>1</td>
<td>23</td>
<td>4</td>
<td>5</td>
<td>6/7</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HomeEq</th>
<th>FIT</th>
<th>Mkt/Sub</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>23</td>
<td>4</td>
</tr>
<tr>
<td>BB</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>CCC</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>BBB</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>CCC-</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ABX</th>
<th>NE</th>
<th>07-4 Closes</th>
</tr>
</thead>
</table>
| AAA | 95 | 05-
| AA | 90 | 05-
| A | 85 | 05-
| BB | 80 | 05-
| BBB | 75 | 05-

<table>
<thead>
<tr>
<th>Price</th>
<th>Spread</th>
<th>Change</th>
</tr>
</thead>
</table>
| AAA | 95 | 05-
| AA | 90 | 05-
| A | 85 | 05-
| BB | 80 | 05-
| BBB | 75 | 05-

**Disclaimer:**

This material has been prepared specifically for you by the Fixed Income or J. Arom Trading/Sales Department and is not the product of Fixed Income or J. Arom Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Certain transactions, including those involving futures, options and high yield securities, give rise to substantial risk and are not suitable for all investors. We, or persons involved in the preparation or issuance of this material, may from time to time, have long or short positions in, and buy or sell, the securities, futures, options or other instruments and investments identical with or related to those mentioned herein. Goldman Sachs does not provide accounting, tax or legal advice; such matters should be discussed with your advisors and counsel. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of this material that are necessary to support any U.S., federal income tax benefits, without Goldman Sachs imposing any limitation of any kind. This material has been issued by Goldman Sachs & Co. and has been approved by Goldman Sachs International, which is authorized and regulated by The Financial Services Authority, in connection with its distribution in the United Kingdom and by Goldman Sachs Canada in connection with its distribution in Canada. Further information on any of the securities, futures or options mentioned in this material may be obtained upon request.

****

This email has been scanned by the FrontBridge Email Security System. For more information please visit http://www.frontbridge.com/solutions/email_security.php

Confidential Treatment Requested by Goldman Sachs  
GS MBS-E-000766420
From: Egol, Jonathan
Sent: Friday, September 07, 2007 2:18 PM
To: Bieber, Matthew G.
Subject: FW: Timberwolf -- Default Swap Collateral

FYI

From: Swenson, Michael
Sent: Friday, September 07, 2007 2:02 PM
To: Egol, Jonathan; Lehman, David A.
Subject: RE: Timberwolf -- Default Swap Collateral

I suggest we round up some AAA cards/starts to propose.

From: Swenson, Michael
Sent: Friday, September 07, 2007 7:22 AM
To: Egol, Jonathan
Subject: FW: Timberwolf -- Default Swap Collateral
Importance: High

From: Joe Marconi [mailto:Joe.Marconi@greenwolffcapital.com]
Sent: Friday, September 07, 2007 7:23 AM
To: Lehman, David A.
Cc: Joe Marconi; Greg House; Bieber, Matthew G.; Swenson, Michael
Subject: FW: Timberwolf -- Default Swap Collateral
Importance: High

David: As we discussed yesterday, I believe that your refusal to approve the purchase of any additional Default Swap Collateral into Timberwolf is unreasonable and inconsistent with the way the transaction structure was originally presented to us. We were told that the purpose of the approval rights was to permit GS to review specific assets and approve or disapprove specific assets based on their relative credit merits. If we thought for a second that you had the right to prohibit all new purchases indefinitely, we would have implemented the much simpler GIG structure that is used in most other synthetic CDOs and CDO² transactions and thereby locked in a fixed spread to LIBOR for the term of our transaction. Also, the Timberwolf CDO economics include an ongoing fee to GS for the put swap component of the trade; we would not have agreed to those terms if we thought you had this option. Finally, I believe that if anyone on the deal team thought you had this option, it would have been clearly disclosed in the CMI. Especially given current market conditions, I am surprised that you are taking a position that will directly result in less cash flow being available to debt and equity investors. As I said yesterday, we recognize the impact of current market conditions and, even before I spoke with Matt, I was suggesting we collectively focus on shorter average life AAA RMBS for...
the deal and I specifically solicited feedback on securities where GS would be comfortable. I continue to be surprised by your response, Joe.

Joe Marconi
GREYWOLF CAPITAL
4 Manhattanville Road, Suite 201
Purchase, NY 10577
P: 914-265-8399
F: 914-265-8044
M: jmarconi@greywolfcapital.com

If you have received this email in error, please notify the sender immediately by replying to this email and delete this email and any attachments from your system. Thank You. Greywolf Capital Management LP.

From: Joe Marconi
Sent: Thursday, September 06, 2007 9:18 AM
To: [Redacted by the Permanent Subcommittee on Investigations]
Cc: Joe Marconi; Greg Mount; Bieber, Matthew G.; Swanson, Michael
Subjects: FW: Timberwolf — Default Swap Collateral

Importance: High

David: I would like to have a call with you to discuss the purchase of Default Swap Collateral into Timberwolf. I understand you are traveling this week. Let me know when you will have some time to talk, in response to the attached message, Matt told me that GS will not approve the purchase of any additional Default Swap Collateral into Timberwolf. While GS does have consent rights regarding the purchase of Default Swap Collateral, it remains reluctant to approve any assets that are inappropriate, inconsistent with the parties’ original expectations and would negatively impact the performance of both the debt and equity issued by Timberwolf. Give me a call when you can. Joe

Joe Marconi
GREYWOLF CAPITAL
4 Manhattanville Road, Suite 201
Purchase, NY 10577
P: 914-265-8399
F: 914-265-8044
M: jmarconi@greywolfcapital.com

From: Joe Marconi
Sent: Thursday, September 06, 2007 8:18 AM
To: [Redacted by the Permanent Subcommittee on Investigations]
Cc: Joe Marconi; Bieber, Matthew G.; Martin, Nicole
Subjects: Timberwolf — Default Swap Collateral

Roman:

We are doing our credit work on these 3 bonds which are shown on the GS inventory sheet. If we get comfortable with these positions, would GS be ok adding them to Timberwolf as Default Swap Collateral? We should be done with our credit work today.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000765665
Thanks, Joe.

FLOATING Home Equity

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>AVL</th>
<th>DM</th>
<th>Fpy</th>
<th>App Prc</th>
</tr>
</thead>
<tbody>
<tr>
<td>83611NXB3</td>
<td>0.6</td>
<td>+90</td>
<td>35</td>
<td>99-191</td>
</tr>
<tr>
<td>1.00/SEC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00/SEC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00/SEC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.00/SEC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.00/SEC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From: Brun, William [mailto:William.Brun@gs.com]
Sent: Thursday, September 06, 2007 7:48 AM
To: undisclosed-recipients:
Subject: Goldman Sachs ABS Inventory (Internal)

ABS Cash Trading: Mike Swenson Deb Salem Edwin Chin Jordan Kaufman Will Bruner v1 (212) 502-5090

In autos:
- CANDY announced a $300mm deal.

In cards:
- OCCIT announced a $750mm deal.

<inventory.xls>

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>AVL</th>
<th>Sprd</th>
<th>Ppy</th>
</tr>
</thead>
<tbody>
<tr>
<td>000000000</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000705856
### Footnote Exhibits - Page 5418

<table>
<thead>
<tr>
<th>Loans Type</th>
<th>Fct/Notes</th>
<th>Spred</th>
<th>Ppy</th>
<th>Handle</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED Auto &amp; Equipment Loans</td>
<td><strong>AVL</strong></td>
<td>Spred</td>
<td>Ppy</td>
<td>Handle</td>
</tr>
<tr>
<td>Fct/Notes</td>
<td>41.780</td>
<td>QSLT 2004-1 A4</td>
<td>8.555</td>
<td>NAVT 2003-B A4</td>
</tr>
<tr>
<td><strong>AVL</strong></td>
<td><strong>Spred</strong></td>
<td>Ppy</td>
<td>Handle</td>
<td></td>
</tr>
<tr>
<td>Fct/Notes</td>
<td>15.000</td>
<td>CPN 2001-3 A3</td>
<td>1.00/TTC</td>
<td>5.000</td>
</tr>
<tr>
<td>Student Loans</td>
<td><strong>AVL</strong></td>
<td>Spred</td>
<td>Ppy</td>
<td>Handle</td>
</tr>
<tr>
<td>Fct/Notes</td>
<td>4.650</td>
<td>SIM 2006-9 A2</td>
<td>1.00/TTC</td>
<td>50.025</td>
</tr>
<tr>
<td>FIXED Home Equity</td>
<td><strong>AVL</strong></td>
<td>Spred</td>
<td>Ppy</td>
<td>Handle</td>
</tr>
<tr>
<td>Fct/Notes</td>
<td>12.000</td>
<td>CML 2002-64 A5</td>
<td>0.81/TTC</td>
<td>5.000</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS M6S-E-000765557
Footnote Exhibits - Page 5419

1.00/YTC/8aa2/BBB/

| 4.364 | GSAMP 2004-NK2 H4 | 362410DY6 0.8 | $1500 43 | 89- |
| 0.36/YTC/8aa/BBB+ |

FLOATING Home Equity

| Pot/Morgo | SYKE 2005-4 2A3 | 836110MX8 0.6 | +30 | 35 | 99-191 |
| 1.00/YTC |
| 5.000 | CHL 2005-BC5 3A2 | 126670MC8 0.6 | +30 | 35 | 99-195 |
| 0.76/YTC |
| 13.335 | AMPC 2006-8A1 2A2 | 00076NAB5 0.8 | +70 | 20 | 99-161 |
| 0.68/YTC |
| 20.000 | MCAC 2004-NEB A4 | 61444GWM0 0.1 | +45 | 35 | 99-317 |
| 0.04/YTC |
| 5.000 | CLILI 2007-WFB2 A3 | 173128AC6 2.3 | +150 | 100 | 97-053 |
| 1.00/YTC |
| 2.000 | CMMT 2006-5 AIC | 691218AE8 2.8 | +140 | 53 | 96-262 |
| 1.00/YTC |
| 12.000 | GSAMP 2005-WMC3 A1B | 362344L23 3.0 | +65 | 20 | 95-064 |
| 0.54/YTC |
| 10.000 | JPMAC 2006-NE1 A5 | 466246LQ2 4.7 | +175 | 100 | 94-025 |
| 1.00/YTC |
| 11.000 | GSAMP 2005-WMC2 A2C | 362341US0 5.0 | +95 | 100 | 97-141 |
| 1.00/YTC |
| 9.437 | TMS 2006-3 2A3 | 881561W26 3.9 | +375 | 53 | 88-086 |

10.000 | AMIE 2005-B3 M2 | 030728XYY 1.9 | +450 | 30 | 93-067 |
| YTC/Aa2/AA/AA |
| 2.000 | RASC 2005-AKL3 M2 | 74610WH6 2.9 | +750 | 30 | 83-164 |
| YTC/Aa2/AA/ |
| 7.000 | SUNF 2006-BSC2 M2 | 84715XFHB 3.2 | +550 | 53 | 86-098 |
| YTC/Aa2/AA/ |
| 7.115 | EAV 2004-C M1 | 073247BLL 0.1 | +200 | 21 | 97-057 |
| YTM/Aa2/AA/AA |
| 3.050 | HSAT 2006-6 M3 | 437097LAJ 3.3 | +1000 | 100 | 75-093 |
| YTC/Aa3/AA/AA/AA |
| 15.636 | OMNIT 2006-6 M1 | 691217AP2 4.1 | +50 | 53 | 86-044 |
| YTC/Aa1/AA/+ |
| 12.376 | GSAMP 2007-FMC M3 | 362339XAR 5.6 | +600 | 100 | 76-143 |
| YTC/Aa3/AA/AA+ |
| 15.592 | RASC 2006-WMC1 M3 | 40430XQJ6 5.7 | +900 | 30 | 66-075 |
| YTC/Aa3/AA/BBB |
| 16.000 | AMPC 2003-OPT1 M2 | 0454280J8 0.4 | +600 | 24 | 97-248 |
| YTC/Aa2/AA/+ |
| 3.000 | ACE 2005-RH M6 | 004421LRZ 0.7 | +900 | 30 | 92-208 |
| YTM/Aa3/AA/ |
| 7.810 | GSAMP 2004-WC2 M3 | 362340XHC 1.3 | +550 | 100 | 95-102 |
| YTC/Aa/+ |
| 2.341 | BASSS 2003-1 M3 | 073887XAD 1.2 | +1500 | 35 | 85-244 |
| YTC/Aa/A A |
| 10.554 | HSAT 2005-1 M5 | 437094RQ3 1.5 | +1600 | 100 | 80-223 |
| YTC/Aa2/A+ |
| 2.500 | AMIE 2005-B6 M2 | 0307730G9 2.0 | +700 | 40 | 86-300 |

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000785868
Footnote Exhibits - Page 5420

VTC/HR/NA/AA
2,500 AMER 2005-N6 M3
030723041 1.8 +790 40 89-266
VTC/HR/AA/-/AA-
2,005 CWS 2005-6 S5
126673845 2.2 +355 30 94-134
VTC/A2/A-
1,000 CBASS 2005-CE M6
124989999 2.6 +600 83 88-125
VTC/A3/A/-/A-
8,218 FFPG 2006-FF1 M6
320289487 3.3 +1300 100 69-291
VTC/A3/A/-/BBB
8,735 ABFC 2006-DF1 M6
000709428 3.1 +600 84 85-128
VTC/A3/A/-/A-
1,025 CAMB 2005-P81 M5
144531283 3.2 +500 25 88-151
VTC/A2/A-
10,378 LAMG 2006-7 M6
542817837 3.4 +2500 100 50-032
VTC/A3/A/-/BBB
3,902 JPMAC 2006-NC2 M6
466292646 3.4 +1200 100 71-067
VTC/A3/A/-/A-
7,090 JPMAC 2006-NC2 M6
466292646 3.4 +1200 100 71-052
VTC/A3/A/-/A-
2,405 MARS 2006-NC2 M6
552758510 3.4 +1600 100 63-125
VTC/A2/A/-/A-
3,335 LAMG 2006-8 M6
542817837 3.5 +2500 100 49-071
VTC/A3/A/-/A-
2,500 SASC 2006-BC5 M6
863550048 3.8 +800 30 77-293
VTC/A2/A/-/A-
3,050 SASC 2006-WM1 M6
863618453 3.9 +800 30 77-304
VTC/A2/A/-/A-
1,050 SARM 2006-NC3 M5
813773611 3.5 +1400 100 66-102
VTC/A2/A/-/A-
4,000 SAST 2006-3 M6
803564083 3.5 +1300 68 68-107
VTC/A3/A/-/A-
2,320 CAMB 2006-NC3 M6
144539676 3.6 +850 100 77-136
VTC/A2/A/-/A-
4,050 Mugi 2006-ML1 M6
590233650 3.6 +1300 83 68-005
VTC/A3/A/-/A-
6,000 LAMG 2006-9 M6
542811655 3.6 +2500 130 48-112
VTC/A3/A/-/A-
2,423 MHAC 2006-NE3 M5
617489347 3.7 +1300 83 71-280
VTC/A2/A/-/BBB
2,436 CMLT 2006-NC2 M6
173877962 3.4 +1400 100 67-112
VTC/A3/A/-/A-
6,802 MARS 2006-NC1 M6
552586261 3.6 +1600 100 62-121
VTC/A3/A/-/A-
7,276 JPMAC 2006-NC2 M6
466294998 3.7 +1500 100 63-215
VTC/A3/A/-/BBB
9,831 NKEL 2007-1 M6
659971337 3.8 +900 100 76-134
VTC/A3/A/-/A-
5,007 GSAMC 2007-N1 M6
362455900 3.9 +1600 63 60-272
VTC/A3/A/-/A-
3,000 ACPB 2007-1 M6
004307948 4.1 +1000 100 71-241
VTC/A3/A/-/A-
1,000 ACE 2003-NC1 M4
004424302 0.2 +2200 45 96-114
VTC/Ba1/BBB/BBB
1,000 SIPP 2003-BC4 M6
847519873 0.4 +1500 50 94-265
VTC/Ref/BBB/
1,000 ACE 2003-NC1 M5
004424302 0.2 +2200 45 96-266

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0007658659
Footnote Exhibits - Page 5422

<table>
<thead>
<tr>
<th>TIC/Baa3/BBB-/</th>
<th>AVL</th>
<th>Spred</th>
<th>Fpy</th>
<th>App Prc</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.500 FHBT 2006-A MB</td>
<td>1.500 FCHT 2006-1 MB</td>
<td>35729RAP1 2.9</td>
<td>+2600 100</td>
<td>59-214</td>
</tr>
<tr>
<td>3.000 MCHT 2006-3 MB</td>
<td>3.000 MCHT 2006-3 MB</td>
<td>64352VRB9 3.0</td>
<td>+3300 100</td>
<td>48-137</td>
</tr>
<tr>
<td>8.410 GSMP 2006-HES MB</td>
<td>8.410 GSMP 2006-HES MB</td>
<td>35729VAP2 3.6</td>
<td>+2700 100</td>
<td>49-225</td>
</tr>
<tr>
<td>3.131 FHBT 2006-D MB</td>
<td>3.131 FHBT 2006-D MB</td>
<td>86389LAA8 3.7</td>
<td>+1300 30</td>
<td>72-127</td>
</tr>
<tr>
<td>7.100 RAMP 2006-A23 MB</td>
<td>7.100 RAMP 2006-A23 MB</td>
<td>75156WMRT 3.9</td>
<td>+2000 100</td>
<td>59-037</td>
</tr>
<tr>
<td>1.421 NSAC 2006-RET B3</td>
<td>1.421 NSAC 2006-RET B3</td>
<td>61750WAQB 4.1</td>
<td>+2500 50</td>
<td>48-252</td>
</tr>
<tr>
<td>TIC/Baa2/BBB-/</td>
<td>TIC/Baa2/BBB-/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIXED All-A</td>
<td>AVL</td>
<td>Spred</td>
<td>Fpy</td>
<td>App Prc</td>
</tr>
<tr>
<td>FLOATING All-A</td>
<td>AVL</td>
<td>DM</td>
<td>Fpy</td>
<td>App Prc</td>
</tr>
<tr>
<td>4.000 GSAA 2006-10 AVI</td>
<td>4.000 GSAA 2006-10 AVI</td>
<td>362375AA5 0.6</td>
<td>+75 20</td>
<td>99-196</td>
</tr>
<tr>
<td>0.44/YTC/Baa2/AAA/</td>
<td>0.44/YTC/Baa2/AAA/</td>
<td>36237A8Q6 1.0</td>
<td>+75 20</td>
<td>99-110</td>
</tr>
<tr>
<td>7.300 GSAA 2006-3 A1</td>
<td>7.300 GSAA 2006-3 A1</td>
<td>36237A8Q6 1.0</td>
<td>+75 20</td>
<td>99-111</td>
</tr>
<tr>
<td>0.52/YTC/Baa3/AAA/</td>
<td>0.52/YTC/Baa3/AAA/</td>
<td>362381AA3 1.2</td>
<td>+75 20</td>
<td>99-066</td>
</tr>
<tr>
<td>0.45/YTC/Baa3/AAA/</td>
<td>0.45/YTC/Baa3/AAA/</td>
<td>362381AA3 1.2</td>
<td>+75 20</td>
<td>99-074</td>
</tr>
<tr>
<td>20.000 GSAA 2006-19 A1</td>
<td>20.000 GSAA 2006-19 A1</td>
<td>362381AA3 1.2</td>
<td>+75 20</td>
<td>99-074</td>
</tr>
<tr>
<td>0.69/YTC/Baa3/AAA/</td>
<td>0.69/YTC/Baa3/AAA/</td>
<td>362381AA3 1.2</td>
<td>+75 20</td>
<td>99-074</td>
</tr>
<tr>
<td>25.000 GSAA 2006-4 A2</td>
<td>25.000 GSAA 2006-4 A2</td>
<td>362381AA3 1.2</td>
<td>+75 20</td>
<td>99-074</td>
</tr>
<tr>
<td>0.14/YTC/Baa3/AAA/</td>
<td>0.14/YTC/Baa3/AAA/</td>
<td>362381AA3 1.2</td>
<td>+75 20</td>
<td>99-074</td>
</tr>
<tr>
<td>0.33/YTC/Baa3/AAA/</td>
<td>0.33/YTC/Baa3/AAA/</td>
<td>45254VPC5 1.9</td>
<td>+75 20</td>
<td>99-091</td>
</tr>
<tr>
<td>3.000 GSAA 2006-20 A1</td>
<td>3.000 GSAA 2006-20 A1</td>
<td>362351AA6 1.3</td>
<td>+75 20</td>
<td>99-046</td>
</tr>
<tr>
<td>0.74/YTC/Baa3/AAA/</td>
<td>0.74/YTC/Baa3/AAA/</td>
<td>362351AA6 1.3</td>
<td>+75 20</td>
<td>99-046</td>
</tr>
<tr>
<td>20.000 GSAA 2005-15 A2</td>
<td>20.000 GSAA 2005-15 A2</td>
<td>362341071 3.2</td>
<td>+95 20</td>
<td>97-298</td>
</tr>
<tr>
<td>1.00/YTC/Baa3/AAA/</td>
<td>1.00/YTC/Baa3/AAA/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15.000 IMM 2004-11 JM2</td>
<td>15.000 IMM 2004-11 JM2</td>
<td>45254WMB4 0.9</td>
<td>+300 20</td>
<td>97-256</td>
</tr>
<tr>
<td>0.24/YTC/Baa4/AA/</td>
<td>0.24/YTC/Baa4/AA/</td>
<td>07389YAA3 0.0</td>
<td>+400 20</td>
<td>83-188</td>
</tr>
<tr>
<td>10.255 BAAA 2007-AC1 M1</td>
<td>10.255 BAAA 2007-AC1 M1</td>
<td>07389YAA3 0.0</td>
<td>+400 20</td>
<td>83-188</td>
</tr>
<tr>
<td>1.00/YTC/Baa4/AA/</td>
<td>1.00/YTC/Baa4/AA/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.000 BAAA 2003-AC2 M1</td>
<td>9.000 BAAA 2003-AC2 M1</td>
<td>073854AA3 0.2</td>
<td>+400 20</td>
<td>83-056</td>
</tr>
<tr>
<td>1.00/YTC/Baa4/AA/</td>
<td>1.00/YTC/Baa4/AA/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00 GSAA 2005-5 B2</td>
<td>1.00 GSAA 2005-5 B2</td>
<td>362420S3R 1.0</td>
<td>+3000 20</td>
<td>76-233</td>
</tr>
<tr>
<td>1.00/YTC/Baa2/BBB/BBB</td>
<td>1.00/YTC/Baa2/BBB/BBB</td>
<td>362420S3R 1.0</td>
<td>+3000 20</td>
<td>76-233</td>
</tr>
<tr>
<td>0.700 GSAA 2005-9 B3</td>
<td>0.700 GSAA 2005-9 B3</td>
<td>362420S3R 1.0</td>
<td>+3000 20</td>
<td>76-233</td>
</tr>
<tr>
<td>1.00/YTC/Baa3/AAA/-</td>
<td>1.00/YTC/Baa3/AAA/-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.730 GSAA 2005-6 M3</td>
<td>0.730 GSAA 2005-6 M3</td>
<td>362420S3R 1.0</td>
<td>+3000 20</td>
<td>76-233</td>
</tr>
<tr>
<td>1.00/YTC/BAA/AA/</td>
<td>1.00/YTC/BAA/AA/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.00 GSAA 2006-9 B1</td>
<td>0.00 GSAA 2006-9 B1</td>
<td>362420S3R 1.0</td>
<td>+3000 20</td>
<td>76-233</td>
</tr>
<tr>
<td>1.00/YTC/Baa2/AA/</td>
<td>1.00/YTC/Baa2/AA/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00/YTC/Baa3/A/-</td>
<td>1.00/YTC/Baa3/A/-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.552 CHALT 2005-AM1 M5</td>
<td>6.552 CHALT 2005-AM1 M5</td>
<td>12668RAXD 5.3</td>
<td>+1350 20</td>
<td>60-097</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000765961
| Footnote Exhibits - Page 5423 |

<table>
<thead>
<tr>
<th>Voting/ADP***/<em><strong>/</strong></em></th>
</tr>
</thead>
<tbody>
<tr>
<td>William Street Funding</td>
</tr>
<tr>
<td>Voting/Notes</td>
</tr>
<tr>
<td>Small Business Administration</td>
</tr>
<tr>
<td>Voting/Notes</td>
</tr>
<tr>
<td>SP CDOs</td>
</tr>
<tr>
<td>Voting/Notes</td>
</tr>
<tr>
<td>NIMS</td>
</tr>
<tr>
<td>Voting/Notes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>Paking</td>
<td>HomeEq</td>
<td>Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floating</td>
<td>Fixed</td>
<td>HomeEq</td>
<td>Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cards</td>
<td>Cards</td>
<td>Paking</td>
<td>Paking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td>Autos</td>
<td>HomeEq</td>
<td>Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2/3-3</td>
<td>-3/3-5</td>
<td>38/35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>4/3-4</td>
<td>1/2-2</td>
<td>10/9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4/3-3</td>
<td>1/2-3</td>
<td>25/23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>5/4</td>
<td>1/2-2</td>
<td>1/2-3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>6/7</td>
<td>1/2-2</td>
<td>1/2-3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Release Date       | 11/24/2008 |
| Description        | This material has been prepared specifically for you by the Fixed Income or J. Aron Trading Fines Department and is not a product of J. Aron Research. We are not soliciting any action based upon this information. Opinions expressed are our present opinions only. The material is based upon information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Certain transactions, including those involving futures, options and high yield securities, give rise to substantial risk and are not suitable for all investors. We or persons involved in the preparation or issuance of this material, may from time to time, have long or short |

| Confidential Treatment Requested by Goldman Sachs | GS MBS-E-000765892 |
Footnote Exhibits - Page 5424

From: Lehman, David A.
Sent: Tuesday, September 11, 2007 2:58 AM
To: Bieber, Matthew G.; Egoli, Jonathan
Subject: Re: TWOF default swap collateral

------ Original Message ------
From: Bieber, Matthew G.
To: Lehman, David A.; Egoli, Jonathan
Sent: Mon Sep 10 14:32:15 2007
Subject: TWOF default swap collateral

Managed to catch up with Dan just now...we’re going to put together a list of SIMA floaters in our inventory to show Joe. Going over w/ Dan tomorrow before sending anything externally.

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com/disclaimer/email-salesandtrading.html for important risk disclosure, conflicts of interest and other terms and conditions relating to this e-mail and your reliance on information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/disclaimer/email for further information on confidentiality and the risks of non-secure electronic communication. If you cannot access these links, please notify us by reply message and we will send the contents to you.
From: Bieber, Matthew G.
Sent: Tuesday, September 25, 2007 11:18 AM
To: Joe Marconi
Subject: RE: CMBS Candidates for TWOLF Default Swap Collateral

great. our eyes are open for this paper as well.

From: Joe Marconi [mailto:joe.marconi@greywolfcapital.com]
Sent: Tuesday, September 25, 2007 10:37 AM
To: Bieber, Matthew G.
Cc: Joe Marconi
Subject: RE: CMBS Candidates for TWOLF Default Swap Collateral

Matt: Thank you. We are looking at these and will get back to the desk. Also, we are trying to find some short credit card ABS from the programs you have approved. We will let you know what we find, Joe.

Joe Marconi
GREY WOLF CAPITAL
4 Mastic Avenue, Suite 201
Purchase, NY 10577
P: 914.251.8245
F: 914.251.8244
E: jmarconi@greywolfcapital.com

From: Bieber, Matthew G. [mailto:Matthew.Bieber@gs.com]
Sent: Tuesday, September 25, 2007 10:02 AM
To: Joe Marconi
Cc: Solomon, Benjamin; AcraGarciafo, Domenico; Lehman, David A.
Subject: CMBS Candidates for TWOLF Default Swap Collateral

Joe -

Had a look through our CMBS inventory and found some suitable candidates for default swap collateral. If you are interested in these positions please contact Ben or Dom (cc'd on this email). They can also be reached at 212-902-2827.

<table>
<thead>
<tr>
<th>Orig Face</th>
<th>Curr Face</th>
<th>Name</th>
<th>Avg Life</th>
<th>Indicative Level</th>
<th>S&amp;P</th>
<th>Moody's Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.8</td>
<td>6.018</td>
<td>CSAC 06TFDA A1 0.6</td>
<td>95-24 AAA</td>
<td>AAA</td>
<td>AAA</td>
<td></td>
</tr>
<tr>
<td>13.9</td>
<td>10.119</td>
<td>WSCMT 06MLT A1 0.6</td>
<td>95-20 AAA</td>
<td>AAA</td>
<td>AAA</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>CSMS 06BC1 A1 0.6</td>
<td>90-00 AAA</td>
<td>AAA</td>
<td>AAA</td>
<td></td>
</tr>
</tbody>
</table>

Disclaimer:

This material has been prepared specifically for you by the Goldman Sachs Fixed Income Commercial Mortgage Backed Securities (CMBS) Trading Desk and is not the product of Fixed Income Research. We are not soliciting any action based upon this material. Opinions expressed are our present opinions only. The material is based upon public information which we consider reliable, but we
Footnote Exhibits - Page 5426

From: Sparks, Daniel L.
Sent: Tuesday, November 20, 2007 1:27 PM
To: Saunders, Tim; Bieber, Matthew G.; Lehman, David A.
Subject: FW: Funded Collateral for Synthetics

---

Freeway: Ron Bieber
[mailto:Ron.Bieber@pelotonpartners.com]
Sent: Tuesday, November 20, 2007 1:00 PM
To: Sparks, Daniel L.
Subject: FW: Funded Collateral for Synthetics

One of the examples of the emails I mentioned below. There are others as well as contemporaneous notes of our conversation with prior ostrum when he presented the idea to us, and contemporaneous notes taken from other calls and meetings with your team. In case I wasn’t clear on the call, our three main points would be:

1. The aim of the collateral account was to provide LIRCA and not add additional risk to the deal.
2. Off said they would take market risk and clearly represented that to us and to the ratings agencies.
3. The only way the deal works, and the way the deal was marketed and explained to us, is that paydowns are equivalent to partial terminations. We do not believe you have any right to refuse to release excess cash that is no longer needed as collateral, and we do not believe you have the right to release bonds into the waterfall ever, and certainly not when cash exists.

Perhaps the way you did these deals changed over time and you are comparing our deal to ones which you marketed or structured differently?

I look forward to hearing from you.

Ron

---

Freeway: Peter Howard
Sent: 08 November 2007 13:38
To: Ron Bieber
Cc: David Watson
Subjects: FW: Funded Collateral for Synthetics

---

Freeway: Bieber, Matthew G. [mailto:matthew.matthew.bieber@gp.com]
Sent: 13 March 2006 17:23
To: Peter Howard
Subjects: RE: Funded Collateral for Synthetics

GS has exposure to 100% of the funded collateral backing the synthetic positions. If the liqudation proceeds of an asset (ep as swap counterpart is gets to choose which assets are liquidated) are less than the write-down amount owed to Goldman - Goldman has no risk. Deal retains upside (collateral liquidated at a premium).

---

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-013746516

Wall Street & The Financial Crisis
Report Footnotes #2664

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01359 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
Footnote Exhibits - Page 5427

Subject: RE: Funded Collateral for Synthetics

Doesn't 100% of the facility have exposure to GS pur?

From: Bieber, Matthew G.  [mailto:matthew.bieber@gs.com]
Sent: 13 March 2006 15:51
To: Peter Howard
Subject: Funded Collateral for Synthetics

Here's an overview of the asset criteria we used in our last transaction:

(i) rated "P-1" and, if such asset has a long-term rating from Moody's, "Aaa" by Moody's and "A-1+" and, if such asset has a long-term rating from S&P

(ii) expected to have an outstanding principal balance of less than $1,000 after stated maturity of class A-1 notes, assuming a constant prepayment rate since the date of purchase equal to the lesser of (a) 5% per annum and (b) the constant prepayment rate reasonably expected by the collateral manager as of the date of purchase.

(iii) after taking into consideration the addition of any such security (a) at least 20% of the default swap collateral by principal balance has an expected average life of less than or equal to 1 year, (b) at least 60% of the default swap collateral by principal balance has an expected average life of less than or equal to 3.25 years and (c) all default swap collateral has an expected average life of less than or equal to 4 years.

(iv) with the inclusion of such security, no more than 32% of the default swap collateral by principal balance has single counterparty exposure including serviced, issuer and put swap counterparty exposure.

(v) provides for payments of periodic interest and for a payment of principal in full at its final maturity and

(vi) each such security satisfies the definition of an "Eligible Investment" or is a residential mortgage backed security, a commercial mortgage backed security, an asset backed security or a collateralized debt obligation.

Peloton Partners LLP is registered in England (registration number OC307362) with its registered office address at 17 Brompton Street, London W1U 7DU. This message may contain confidential and/or privileged material. It is intended only for use by the named recipient(s). This message is for informational purposes only and must not be considered as an offer or solicitation to buy or sell any security. Peloton Partners LLP does not represent that it is accurate, complete and/or up-to-date and accepts no liability if it is not. All opinions expressed do not necessarily reflect those of Peloton Partners LLP or its affiliates. Peloton Partners LLP is authorised and regulated by the Financial Services Authority.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-013746517
From: Trinh, Kristina [mailto:Kristina.Trinh@bt.com]
Sent: Tuesday, November 27, 2007 5:38 PM
To: Bieber, Matthew G.; Lin, Shelly
Cc: Nichols, Susan; Florito, Vincent; Shinoda, Ken
Subject: FW: AAA Default swap collateral

Hi Matt,

As of today we have $5.5mm and $11.7mm in synthetic collateral in DSVII and WCI respectively from paydowns of synthetic collateral securities. We were able to find bonds from the September approved list below. Please let us know if you approve these names – or would like to keep the cash in the overnight account. Also let us know if you have a preferred allocation.

DOIT 02-A6 A
GSAMP 2005-NAC3 A1B
CHSAIT 2005-A6 A4
BACCT 2007-A13 A13

Thank you.

Kristina

88 S. Figueroa Street, Suite 1300
Los Angeles, CA 90071
Tel: 213-344-0777 | Fax: 213-344-0906
Kristina.Trinh@bt.com

Cc: Bieber, Matthew G. [mailto:Matthew.Bieber@gs.com]
Sent: Tuesday, October 23, 2007 5:32 PM
To: Trinh, Kristina; Lin, Shelly
Cc: Nichols, Susan; Florito, Vincent; Shinoda, Ken; Lee, Michael; Case, Benjamin
Subject: RE: AAA Default swap collateral

Hi Kristina -

Let's keep in cash in the overnight account - until collateral can be found.

Regards,

Matt

From: Trinh, Kristina [mailto:Kristina.Trinh@bt.com]
Sent: Tuesday, October 23, 2007 7:13 PM
To: Lin, Shelly; Bieber, Matthew G.
Cc: Nichols, Susan; Florito, Vincent; Shinoda, Ken; Lee, Michael
Subject: FW: AAA Default swap collateral

Hi Matt and Shelly,

Tomorrow the CP in DSVII's synthetic collateral account rolls, leaving $4.8mm in synthetic collateral cash. So we will try to look for bonds per the email below. If we are unable to find one under the following parameters, would you still want to keep the cash in the overnight account or did you want to take a look at corp CP again? Thanks.

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnotes #2665

Confidential Treatment Requested by Goldman
GS MBS-E-022141026
Footnote Exhibits - Page 5429

Kristina

From: Sieber, Edward G. [mailto:Edward.G.Sieber@gs.com]

Sent: Thursday, September 20, 2007 11:47 AM

To: Flato, Vincent
Cc: Liu, Shelly

Subject: AAA Default swap collateral

Per our discussion earlier today:

RMBS: CBASS, GSAMP, JPMAC, WFBET
CARDS: AMEX, BACCT, BOIT, MRNABS, CGCT, CHIAI, DMCT
AUTO: CPAR, DMCT, FORDC, HRDCT, HOMOT, NALT, USAOT
STUDENT LOANS: AGGOS, GCOE, KSLT, NCSLT, SLMA (FPFLP)

Generally speaking, looking at avg. life less than 2 years on securities that are open window (currently amortizing).

Pls include above in and/or any proposed securities for approval.

Regards,

Matt

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gsz.com/legal/adjacents.asp for important risk disclosure, confirm information and other terms and conditions relating to this email and your release of information contained in it. This message may contain confidential or privileged information. If you are not the intended recipient, please do not read further and delete this message. See http://www.gsz.com/legal/advice.asp for further information on confidentiality and the risks of non-secure electronic communications. If you have access to this box, please notify us of this message and we will shut the various in place.

Attention: This email is intended for the sole use of the intended recipient(s) and may contain confidential or privileged information. If you are not the intended recipient, we request that you not disclose the contents or use the information contained in it. If you are not the intended recipient, we request that you please notify us by reply email and destroy all copies of the message and any attachments. Thank you for your cooperation.

Attention: This email is intended for the sole use of the intended recipient(s) and may contain confidential or privileged information. If you are not the intended recipient, we request that you please notify us by reply email and destroy all copies of the message and any attachments. Thank you for your cooperation.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-022141027
Footnote Exhibits - Page 5430

From:  Bieber, Matthew G.
Sent:  Monday, October 15, 2007 3:23 PM
To:   Vennitti, Matthew P.
Cc:    Lehman, David A.; Case, Benjamin
Subject: Default Swap Collateral Reinvestment

Here are the slates we'd like to use for default swap collateral reinvestment.

RMBs: CSASS, GSAA, GSAMP, JPMAC, WHRET
CARDS: AMEXCA, BACCT, BOIT, MBNAS, CCGT, CHATT, DCMT
AUTOS: COPIAS, DOMOT, FORCO, HAACOT, HOMACOT, NALT, USAOT
STUDENT LOANS: ACCESS, GOOE, KELT, NELSTL, SLMA (FELPA)

In addition to the default swap collateral constraints in the other documents, also looking to securities that are (a) floating rate (b) monthly pay (c) senior-most bond in capital structure (d) any of less than or equal to 5 yrs (e) sum of any amortizing.

Please let me know if you have any questions.

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See http://www.gs.com/deliverables/marketInterestRateHedging.html for important risk disclosures, conditions of use and other terms and conditions relating to this e-mail. Your reliance on this information is at your own risk. You are not the intended recipient, please advise us immediately and delete this message. See http://www.gs.com/deliverables/privacy for further information on confidentiality and the risks of non-secure electronic communication. If you cannot access these links, please notify us by reply message and we will send the contents to you.

Confidential Treatment Requested by Goldman, Sachs & Co.
From: Bieber, Matthew G. <Matthew.Bieber@gx.com>
Sent: Thursday, September 27, 2007 9:57 AM
To: Joe Marconi <joe.marconi@greywolfcapital.com>
Cc: Shimonov, Roman <Roman.Shimonov@gx.com>
Subject: RE: Timberwolf Default Swap Collateral

No - we need to give approval on a security by security basis.

---Original Message---
From: Joe Marconi <joe.marconi@greywolfcapital.com>
Sent: Thursday, September 27, 2007 9:51 AM
To: Bieber, Matthew G.
Cc: Joe Marconi; Shimonov, Roman
Subject: Timberwolf Default Swap Collateral

Matt I am seeing this list from another dealer. Can I assume that I can buy any name on your approved list? I’d like to bid on a couple of these at 10:30am. Thanks. Joe

---Original Message---
From: JOE MARCONI, GREY WOLF CAPITAL MAN
<marconi@marconi@flomina.com>
Sent: Thursday, September 27, 2007 9:49 AM
To: Joe Marconi
Subject: Joe - card list @ 10:30 ...

<table>
<thead>
<tr>
<th>Security</th>
<th>Amount</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAMXCA 03-3 A</td>
<td>0.54yr</td>
<td>27,500M GCCIT 05-3 A A</td>
</tr>
<tr>
<td>10.000M GCCIT 05-3 A A</td>
<td>2.10yr</td>
<td>10.0903 CEAFT 05-3 A A</td>
</tr>
<tr>
<td>11.305M CHAMT 03-3 A</td>
<td>0.70yr</td>
<td>12.600M BMNAS 03-3 A A</td>
</tr>
<tr>
<td>20.708M BMNAS 03-3 A A</td>
<td>2.09yr</td>
<td></td>
</tr>
</tbody>
</table>

This email has been scanned by the Freenbridge Email Security System.
For more information please visit

FOIA Confidential Treatment
Requested by Greywolf Capital Management
Pursuant to 17 C.F.R § 200.83

Transcript Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2667

GW 108645
United States
Policies for the Preparation, Supervision, Distribution and Retention of Written And Electronic Communications

Goldman Sachs

GOLDMAN, SACHS & CO.

February 1, 2001

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2684
# Footnote Exhibits - Page 5433

## Contents

| I. Introduction | 1 |
| II. Categorization of Communications | 2 |
| A. Categories of Communication | 2 |
| B. Research and Recommendations | 3 |
| C. General Communication | 3 |
| III. Content Standards | 4 |
| A. General Standards | 4 |
| B. Providing Customers with Valuations of Their Positions | 7 |
| C. Third Party Material and Testimonials | 7 |
| D. Copyright Issues | 8 |
| E. Recommendations of Securities Transactions by Securities Salespeople | 9 |
| F. Recommendations Contained in Research Reports | 10 |
| G. Restricted Trading List Securities | 10 |
| H. Hedge Clauses | 11 |
| I. Internal-Use-Only Documents | 11 |
| J. Distributing "To All" Memoranda | 11 |
| K. Dissemination of Information Concerning The Goldman Sachs Group, Inc. | 11 |
| L. Registered, Publicly-Offered Securities (other than GSAM Mutual Funds) | 11 |
| IV. Reviews and Approvals | 13 |
| A. General | 13 |
| B. Review of Certain Outgoing Correspondence | 14 |
| C. Review of Incoming Correspondence | 15 |
| D. Handling of Sales Literature and Correspondence Off Firm Premises | 15 |
| V. Retention | 18 |
| A. Material Relating to Securities Business | 18 |
| B. Other Material | 18 |
| VI. Other Issues | 19 |
| A. Education and Training | 19 |
| B. Monitoring | 19 |
| VII. Appendices | 20 |

## Appendix

**Appendix 1. Guidelines for Sampling Correspondence**

Confidential Treatment
Requested by Goldman Sachs

OS MRS 0000035600
I. Introduction

Goldman Sachs communicates with its customers (including private individuals, institutions and other broker/dealers), counterparties, and the general public in many ways. The integrity of these communications is essential to the firm's reputation and success. Therefore, with this manual, the firm is setting forth its policies regarding the preparation, supervision, distribution and retention of all written and electronic communications relating to our business.

For the purposes of these policies, "communication" is defined very broadly. It includes any and all written or electronic communication — from formal recommendations to casual opinions and thoughts relating to our business. It includes words, diagrams, pictures, graphs, and images. And it does not matter whether these be conveyed by note, letter, prospectus, advertisement, e-mail, television or radio broadcast, or any other means or media. Although these policies do not specifically cover oral communications, the same content guidelines apply to oral communications.

The policies stated in this memorandum outline the firm's expectations and requirements with respect to communications with the public relating to any business of the firm. Individual divisions or business units may establish policies that supplement or supersede parts of the policies outlined here. In addition, the section entitled "Firm Expectations of Employee Conduct" in the firm's Employee Handbook contains standards and guidelines that apply to the communications covered here.

Therefore, this manual must be read and implemented in conjunction with the applicable Divisional Compliance policies and the requirements of the Employee Handbook. You are responsible to know the additional requirements of the Handbook and those of your division and business unit.

Business units and Divisional Compliance will be responsible for communicating the contents of these policies and any related divisional or regional policies by distributing them to all appropriate personnel, by distributing any periodic updates or revisions to them, and through both new employee and on-going training programs.

While business units and Divisional Compliance are responsible for communicating policies, it is the responsibility of each individual to understand the rules of the firm and of the businesses in which she works. Failure to comply with the policies may result in disciplinary action, including potential separation from the firm.

As with any compliance issues, the most important thing is that you be aware of your responsibilities and seek clarification and help if you have any questions. If you have any questions about the application or interpretation of these standards and requirements or about possible exceptions to them, speak with your Divisional Compliance officers, the Legal Department.

1

Confidential Treatment
Requested by Goldman Sachs

GS MBS 000035801

Introduction
II. Categorization of Communications

While these policies apply to all written and electronic communication, there are three categories of communications for which there are specific rules. These categories are advertisements, sales literature, and sales correspondence. There are two types of content that merit special attention, as well. These are research and recommendations. These categories of communication and types of content are defined below.

A. Categories of Communication

Advertisements

An advertisement is any written or electronic communication relating to the firm’s securities business that is made publicly available in such a way that the individual recipients are not known to and cannot be limited by the firm. In other words, the firm does not have control over who receives, sees, or hears an advertisement.

An advertisement may include material published or designed for use in a newspaper, magazine or other periodical, radio, television, telephone or tape recording, on a generally accessible website or in or on another publicly available medium.

Advertisements must conform to standards established by Corporate Communications and must be approved before use (as described later in this manual).

Sales Literature

Sales literature is any written or electronic communication relating to the firm’s securities business that is sent or made available to multiple public recipients who are known or directly targeted by the firm.

Sales literature may include, but is not limited to, circulars, research reports (including most of the publications of the firm’s Investment Research Department), market letters, performance reports or summaries, and form letters. Sales literature also includes the written text of any communication delivered orally to a broad audience, such as a telemarketing script or a seminar talk and material posted on password-protected websites available to clients.

The key characteristic of sales literature is that it is addressed to multiple recipients specifically targeted by the firm.

As is the case with advertisements, sales literature must be approved before use (as described later in this manual).
Sales Correspondence

Sales correspondence is any written or electronic communication (other than that classified as advertising or sales literature) that is sent or made available to a current or prospective customer by a salesperson involved in the firm's securities business or by a person who is soliciting fee-based investment advisory or management services.

The key characteristic of sales correspondence is that it is directed to a specific recipient. It may or may not need to be approved prior to use.

B. Research and Recommendations

Sales literature and sales correspondence may include a recommendation to a customer and, in certain contexts, may constitute research. Recommendations and research each has its own approval process, and research requires specialized legends, which are discussed later in this manual. For the purposes of this manual:

- Research is an analysis of individual companies, industries, market conditions, or securities or other investment vehicles that provides information reasonably sufficient upon which to base an investment decision. While reports prepared by one of the firm's investment research departments generally fall into the category of research, materials prepared by other personnel also may constitute research under applicable regulations. Research does not include publicly available information, consensus data, or data attributable to management of the company being discussed.

- A recommendation to a customer is the promotion or endorsement of a transaction involving a security.

Note that there are significant restrictions on including any research or recommendations in marketing materials for asset management services. Consult Divisional Compliance policies for further guidance.

C. General Communication

As stated above, although these particular categories and types of communication require special attention, except where otherwise noted, this manual covers all written or electronic communication with the public relating to any business of the firm.
III. Content Standards

A. General Standards

No matter what you are communicating to the public, your words reflect on the reputation of the firm. Furthermore, the firm can be held accountable for what you communicate. The firm, therefore, requires that your communication reflect the high standards of the firm, not only in what you say, but also in the way you say it.

The following are general standards and requirements that the firm expects all of its employees to understand and follow in all of their communications.

Truthfulness and Completeness

Communications may not omit material facts or include untrue or misleading statements. Keep in mind that the level of detail or explanation necessary to make a communication clear, accurate, and understandable will depend, in part, on the breadth and sophistication of the intended audience and the complexity of the subject matter. For example, communicating complicated material or the lack of financial sophistication of the recipient will often warrant a more detailed presentation.

Professionalism and Good Taste

- All communications should be professional and in good taste. Of course, your communications should never contain obscene, offensive, or otherwise inappropriate, unprofessional, or unlawful language. Remember, that you do not control and you cannot always predict who the reader will be.
- Write using standard, formal written language. Pay attention to proper grammar and accurate word usage.
- Avoid superlatives and exaggerations.
- Communicate succinctly. Stay strictly to the topic of your communication. Do not include any gratuitous comments.
- Remember, your business communications become part of the official records of the firm. Regulators and other third parties may have access to these communications in the case of dispute, litigation, or criminal action.

Records of Past Performance

Any communication that portrays past performance of recommendations or actual transactions must be balanced and not misleading. In particular:

<table>
<thead>
<tr>
<th>Confidential Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested by Goldman Sachs</td>
</tr>
</tbody>
</table>

Content Standards

GS MBS 0000035804
Footnote Exhibits - Page 5438

- Past performance may not be used to promise or suggest, directly or indirectly, future profits or income, nor may it be presented as indicative of future performance.

- Records or statistics must:
  - disclose the existence of any relevant costs (e.g., commissions and interest charges, if applicable).
  - be clearly defined as to scope (i.e., the universe of securities or transaction types covered) and context.
  - cover at least the most recent 12-month period, if available.

- Whenever annualized rates of return are used:
  - All material assumptions used in the process of annualization must be disclosed.
  - The date and price of each initial recommendation or transaction and the date and price at the earlier of when liquidation was suggested or effected must be included.
  - Summaries or averages may be presented so long as they include the total number of items recommended or transacted, the number that advanced and declined, and an offer to provide the complete record upon request.

Finally, the communication should include an indication of general market conditions during the relevant period (e.g., the performance of the S&P 500). Any such comparison should be reasonable.

Note that there are special requirements for showing past performance of mutual funds and separate account composites, and for certain other investments (e.g., options). Consult Divisional Compliance policies for further guidance.

Speculating on Litigation Results
Do not speculate on or predict the outcome of any litigation involving the issuer of a security.

Guarantees
Do not make any guarantee of profit or against loss, or offer any promise of specific results.

Projections and Predictions
Communications may include projections and predictions (including forecasts of financial performance), but those projections and predictions must:

5

Confidential Treatment
Requested by Goldman Sachs
Content Standards
5

CS BDS 0000335605

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01371 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
Be based on reasonable assumptions.

Be clearly labeled as opinion.

Include a description of the assumptions and information upon which projections and predictions are based or indicate that the underlying assumptions and information are available upon request.

Hypotheticals that look backwards in time and recalculate performance based on stated assumptions are not necessarily subject to the same standard of reasonableness as forward-looking projections or predictions. This is because with backward-looking projections evidence of what actually occurred is always available for consideration. The availability of actual data limits the danger of acting on an unreasonable assumption. Forward-looking projections, on the other hand, require more care.

Note that significantly stricter standards apply to the use of forward-looking or backward-looking projections in connection with asset management services. Consult Divisional Compliance policies for further guidance.

Balance of Risks and Potential Rewards

Any discussion of the merits of a potential investment should be balanced with a discussion of its risks. The discussion must also provide enough information to allow the recipient to understand the full nature of the investment and of its potential risks and rewards.

Suitability of Investments

Communications may not state or imply that any particular investment is suitable for all investors.

Subject to otherwise applicable firm policies on suitability and requirements to "know your customer," communications may state that an investment is suitable for a particular customer or class of similarly-situated customers.

Rumors

Communications may not circulate or encourage dissemination of unsubstantiated rumors. Therefore, it is the policy of the firm to make no comment on rumors whatsoever, even to deny rumors you believe to be untrue.

Dating Communications

All communications should be appropriately dated. Any significant information that is more than six months old or otherwise is not reasonably current must be noted.
Identifying Sources

All communications should include the firm's name and, when appropriate, the name of the person who prepared the communication.

Disclosure of Client Names and Positions

Names of clients of the firm and their assets, objectives, and positions are confidential and may not be disclosed outside of the firm, or to anyone within the firm without a "need to know". Despite this general rule, the name of a client may be disclosed with the client's consent, if permitted by applicable Divisional Compliance policies.

B. Providing Customers with Valuations of Their Positions

Because valuations of positions can be used for a variety of reasons (risk management, accounting, as the basis of trading decisions, margining, etc.) it is imperative that valuations are carefully prepared and that both the valuations themselves and the basis on which they have been calculated are communicated clearly and completely.

Check individual divisional policies for requirements as to the form and content of valuations and as to any disclosure statements (hedge clauses) that may be required to be used.

C. Third Party Material and Testimonials

Attribution of Sources

Using outside sources without attribution is plagiarism. Plagiarism is a serious breach of the firm's standards and exposes the firm to significant legal and reputational risk. Therefore:

- All material — whether words, graphs, charts, analyses, or other matter taken from outside sources, and whether directly quoted or simply referred to — must be properly attributed. This includes paraphrases and summaries of discussions.

- Attribution may appear in footnotes or in the text.

- The attribution must be specific. Generic phrases such as "experts claim" or "market sources agree" are not sufficient or acceptable.
Footnote Exhibits - Page 5441

- Any market letter or research report prepared by an outside organization must identify the preparer and not give the impression that it was prepared by Goldman Sachs. See divisional policies regarding the use of such third-party material.

Testimonials

A testimonial is a quotation from a customer or outside expert expressing support for a Goldman Sachs product or activity. Any testimonial must be accompanied by a disclaimer, the substance of which includes the following:

- That the testimonial may not be representative of the experience of other customers.
- That the testimonial is not indicative of future performance or success.
- That it is a paid testimonial (if more than a nominal sum was paid for the testimonial).
- That the person making the testimonial has the knowledge and experience to form a valid opinion (if the testimonial concerns a technical aspect of investing).
- That the person making the testimonial has a relationship with the firm (if such a relationship exists).

If a testimonial is used in an advertisement, the Corporate Communications Department must also be consulted. Testimonials are prohibited in any communication related to asset management services.

D. Copyright Issues

Using published material from sources outside of the firm, with or without attribution, may constitute a copyright infringement. Copyright rules differ from situation to situation and from jurisdiction to jurisdiction.

Note that copyright rules are not restricted to printed material. They extend to material published in other media, including the internet.

You should consult the section entitled "Copyrighted Materials" in the Employee Handbook.
E. Recommendations of Securities Transactions by Securities Salespeople

Suitability of Recommendations Made to Customers

Prior to recommending that a customer purchase, sell or exchange any security, salespeople must have reasonable grounds for believing that the recommendation is suitable for that particular customer upon the basis of the facts disclosed by the customer as to his/her other security holdings, investment objectives and financial situation.

Know the Security Being Recommended

The suitability concept also requires a salesperson to have an adequate and reasonable basis for his/her recommendation of a particular security. This requires familiarity with the characteristics (including potential risks and rewards) of the security being recommended. Therefore, salespeople must "know their security", as well as their customer.

Determining Whether a Recommendation is Made

A broad range of circumstances may cause a transaction to be considered recommended, and this determination does not depend on the classification of the transaction by divisional policies as "solicited" or "unsolicited." In particular, a transaction will be considered to be recommended when a representative of the firm brings a specific security to the attention of a particular customer (or group of customers) through any means, including telephone, mail, e-mail or fax.

Trade Ideas

Firm employees frequently provide so-called "trade ideas" to multiple recipients. Such trade ideas are designed to help clients take advantage of market conditions and intelligence, but are not intended to be specific buy/sell recommendations for specific clients or customers. Characteristics of trade ideas frequently include:

- Market situations to watch closely.
- "if/then" suggestions, such as: "if your position is X, consider taking advantage of Y"; "if a security begins to do A, consider taking action B." 
- Delivery to multiple recipients, rather than to specific clients.
- Suggestions about a range of actions rather than a specific transaction.

Note that the requirements of this section apply to securities brokerage (including discretionary brokerage) accounts. For advisory account requirements, consult Divisional Compliance policies.
Footnote Exhibits - Page 5443

- Common distribution via e-mail.

Such trade ideas are not considered to fall within the definition of a recommendation.

Seeking Additional Guidance

In sum, whether a particular transaction is in fact recommended depends on an analysis of all the relevant facts and circumstances. Therefore, employees are required to be familiar with divisional policies on recommendations and suitability, and are encouraged to consult their Divisional Compliance personnel or the Legal Department for assistance in answering any questions.

F. Recommendations Contained In Research Reports

When a recommendation to a customer is made in advertisements or sales literature (including the firm's published research), the market price of the security at the time of the recommendation must be indicated and the following information must be disclosed:

- Whether the firm makes a market in the security or will buy or sell the security on a principal basis
- Whether the firm was a manager or co-manager of any public offering by the issuer within the past three years
- Whether the firm, its officers, or any personnel involved in preparing the communication may have positions in the securities or options of the issuer.
- Whether the firm or any of its employees is a director of the issuer.

The publication of all research reports must be approved by one of the firm's investment research departments, which will add any additional required disclosures.

G. Restricted Trading List Securities

Sales correspondence may not include discussion of, nor may a salesperson recommend transactions in, any security on the firm's Restricted Trading List without the prior approval of the Central Compliance Control Room.

Asset management personnel should refer to their Divisional Compliance policies which, in some instances, may differ from the foregoing.

* Note that the requirements of this section apply to securities brokerage (including discretionary brokerage) accounts. For advisory account requirements, consult Divisional Compliance policies.

Confidential Treatment

Requested by Goldman Sachs

OS MS 0000033810
H. Hedge Clauses

The proper hedge clauses must accompany all advertisements and sales literature. The hedge clauses may not be misleading or inconsistent with the content of the communication.

The required hedge clauses vary based upon product, country, recipient and a number of other factors. Therefore, contact Divisional Compliance to determine the proper hedge clauses to use on any material sent to third parties on behalf of the firm.

I. Internal-Use-Only Documents

No written or electronic communication marked (or customarily handled as) "for internal use only" or "for broker use only" may be distributed, in whole or in part, to anyone outside of the firm. This includes e-mail and material on the internal website.

If a particular business unit determines that material originally prepared for internal or broker-only use becomes appropriate for dissemination to the public, any internal use designation must be removed and all appropriate approval procedures and standards governing outside written communications, as detailed in this document, must be satisfied.

J. Distributing "To All" Memoranda

"To All" memos, whether distributed by memo, e-mail or other means, must be approved as described in the section entitled "Firmwide Memoranda" in the Employee Handbook.

K. Dissemination of Information Concerning The Goldman Sachs Group, Inc.

The NYSE prohibits any recommendation or solicitation with respect to the common stock of The Goldman Sachs Group, Inc. Accordingly, only the Investor Relations or Corporate Communications Departments are authorized to make any comments regarding The Goldman Sachs Group, Inc.

L. Registered, Publicly-Offered Securities (other than GSAM Mutual Funds)

The U.S. securities laws impose severe restrictions on the distribution of any written materials in the United States by participants in a U.S. registered public offering (including both IPOs and follow-on offerings) in connection with such offering other than the most
recent "red herring" prospectus and, after the offering is priced, the final prospectus. It has always been the firm's policy to adhere strictly to these requirements. In addition, it is the firm's policy to apply these requirements in a variety of other circumstances.

These restrictions are as follows:

- No written materials may be distributed outside the firm in the United States in connection with any U.S. registered public offering (both IPOs and follow-on offerings) other than the "red herring" prospectus and, after pricing of the offering, the final prospectus. This includes e-mails (including responses to clients' e-mails to us), faxes, and any other method of written communication. For example, neither the sales memorandum for the offering nor any portion thereof (nor any summary thereof) may be distributed outside the firm. In addition, only the entire "red herring" or final prospectus may be distributed; employees must not distribute selected pages from a prospectus, nor highlight or draw attention to selected portions of the prospectus. These restrictions continue in effect for the first 25 days after the pricing of a U.S. registered IPO.

- It is firm policy, in connection with U.S. registered public offerings, to observe the foregoing restrictions with respect to the distribution of written materials outside the U.S.

- It is also firm policy to observe the foregoing restrictions with respect to the distribution of written materials, both inside and outside the U.S., in connection with Regulation S and Rule 144A offerings.

Any exceptions to the first of the foregoing restrictions must be approved by the Legal Department or a senior member of the Special Execution Group. Any exceptions to the second or third of the foregoing restrictions must be approved by a member of the Commitments Committee in consultation with a senior member of the Special Execution Group.
### IV. Reviews and Approvals

#### A. General

**Responsibility for obtaining reviews**

In general, the employee preparing and sending a communication is responsible for obtaining any necessary approvals and for following the appropriate procedures for retention and review.

**Documents previously approved**

In certain instances, divisional policies may designate certain material sent to specified recipients as "pre-approved", in which case the pre-approved documents do not have to be re-approved each time they are sent.

Any additional correspondence accompanying the approved documents, such as a cover letter or note, may have to be approved, depending on the substance contained in it. For instance, casual correspondence, thank you notes, confirmations or schedules for meetings, invitations, and other correspondence that does not relate to business does not require approval.

**Reviewer’s Signature**

When approval is required, the reviewer must initial or sign and date the firm’s retained copy of any written communication (or, for certain business units, a “Compliance Cover Sheet”) to indicate and record his/her review and approval or maintain a comparable record.

In cases where electronic correspondence requires approval, a record of the review and approval must be maintained. The nature of that record — an addition to the electronic file, a log file of reviews, a physical record on a hard copy, or other means — can be determined by the business unit. Whatever the nature of the record, it must clearly indicate the reviewer’s approval and maintain a clear audit trail to the reviewed communication.

**Advertisements and Sales Literature**

In general, advertisements must be approved in advance by the Corporate Communications Department in order to assure compliance with firm-wide identity, branding, logo and other standards. In some divisions, this approval process may be handled by Divisional Compliance. In addition, advertisements related to the firm’s sales and trading of securities must be approved prior to first use or first availability by a registered principal in the relevant business unit.

<table>
<thead>
<tr>
<th>Confidential Treatment</th>
<th>Reviews and Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested by Goldman Sachs</td>
<td>OS MBS 0000035013</td>
</tr>
</tbody>
</table>
All sales literature must also comply with firm-wide design and content standards established by Corporate Communications. In addition, sales literature related to the firm’s sales and trading of securities must be approved, prior to first use or availability, by a registered principal in the relevant business unit.

For any options-related sales literature, the approving registered principal must be the Compliance Registered Options Principal (CROP) or the CROP’s designee.

Research reports must be approved by a supervisory analyst prior to issuance.

SRO Filing Requirements

Certain product-specific sales literature and advertisements (e.g., certain investment company-related materials, CMO-related advertisements, and options-related educational materials) must be filed with an appropriate SRO (NASD, CBOE, etc.) at least 10 days prior to first use or first availability. Approvals must be sought from the appropriate registered principal or Corporate Communications early enough to meet the 10-day filing requirement.

B. Review of Certain Outgoing Correspondence

Outgoing correspondence with the public by registered representatives and associated persons involved in the sale of securities, whether in hard-copy, fax, e-mail or other electronic format, will be subject to review by a registered principal or higher designee.

Each division or business unit involved in the firm’s broker/dealer business may approach the review of outgoing correspondence in one of two ways:

- Review all outgoing sales correspondence before it is sent; or
- Review a sample of outgoing sales correspondence after it is sent.

Guidelines for developing a sampling program appear in the Appendix at the end of this manual. Check your Divisional Compliance policies for the procedures applicable to you.

A copy of all such correspondence, no matter the medium in which it is delivered, must be retained in accordance with procedures established by the applicable division and must be readily available for review. The person who reviewed the correspondence must be easily ascertainable. Finally, the outgoing communications file will be subject to periodic review to assure compliance with these requirements.

Compliance with the requirements of these policies will be a subject of discussion at annual or other periodic performance reviews and will be the subject of remedial action, if required.
Compliance with the requirements for review of communications (including appropriate monitoring, testing, and documenting of results and evaluation of effectiveness) are subject to annual Central Compliance review and will be included in the Management Controls Department’s periodic audits.

C. Review of Incoming Correspondence

All incoming written and electronic correspondence from the public directed to registered representatives and associated persons involved in the sale of securities are also subject to the firm's supervision and review in accordance with divisional procedures. Except for written correspondence (i.e., material in paper form) sent to registered representatives (all of which must be reviewed as described below), divisional policies may provide for either review of all such correspondence or a sample selected in substantially the same manner as outgoing correspondence.

Review of Incoming Written Correspondence Sent to Sales Representatives

In order to provide early notice of potential sales practice issues and customer complaints, and to help ensure proper handling of customer funds and securities, a registered principal or his/her designee will review all incoming written correspondence (i.e., correspondence in paper form) that is directed to registered representatives involved in the sale of securities. To facilitate this review:

- The correspondence will be opened by, or in the presence of, an authorized individual (a principal or his/her designee) to identify any possible complaints and to remove customer funds and securities.

- The individual reviewing the correspondence will, after the review is completed, forward the material as appropriate for proper retention.

- Funds and securities will be forwarded to the personnel responsible for custody of funds and securities in the office in which the funds or securities were received. These items should be delivered by hand, if possible, or by an alternative delivery method approved by the firm's operations officials.

- Any correspondence containing a possible customer complaint must be handled as described in the following section.

Correspondence that can be readily identified as regulatory bulletins, research or promotional material, advertising, periodicals, fund raising appeals or similar non-customer material need not be subject to this procedure.
Treatment of Customer Inquiries and Complaints

As a matter of good business practice, it is the firm’s policy to handle and resolve any customer or client inquiry expeditiously, especially when it regards proper handling of business solicitations, transactions, and customer securities or funds. In addition, the Legal Department and Central Compliance will designate certain types of inquiries as "customer complaints," which require specific handling and regulatory reporting.

To make sure that all inquiries and potential "customer complaints" are handled expeditiously and properly, both from the business and regulatory points of view, employees must observe the following procedure.

Any employee who receives a written, electronic, or oral communication from a customer or any person acting on behalf of a customer alleging a grievance involving the solicitation or execution of any transaction or the disposition of securities or funds of that customer must report it to his or her supervisor immediately. A copy of the communication (unless it is oral) must be sent immediately to the supervisor.

The supervisor will first determine whether the communication might be classified as a "customer complaint." If the supervisor considers the communication to be a possible complaint, the supervisor will notify and forward copies of the communication to the Director of Central Compliance, the Legal Department and Divisional Compliance.

The Legal Department or Central Compliance will determine whether the inquiry actually constitutes a "customer complaint." If it does, Central Compliance will be responsible for reporting the complaint as required by regulation. The Legal Department will coordinate the firm’s response to the communication and advise the Central Compliance Department and Divisional Compliance of the resolution.

Regulatory Inquiries and Litigation

Any complaint, notice, subpoena, interrogatories or other document relating to a litigation matter, an arbitration proceeding, or a regulatory investigation should be forwarded immediately to the Legal Department. See the section entitled "Legal Matters" in the Employee Handbook.

D. Handling of Sales Literature and Correspondence Off Firm Premises

Written Material

All sales literature and sales correspondence must be sent to and from the premises of the firm to facilitate proper supervision.
E-mail and FAX Communications

All electronic communications, including e-mail and fax traffic, concerning firm business that is to or from customers must be sent and received from or to a firm e-mail address or firm fax machine or from and to a firm-approved third-party computer system.

Therefore:

- All e-mail traffic concerning firm business that is to and from the public must take place at the firm's premises or be routed through firm-provided, secure equipment.
- Faxes containing sales literature or sales correspondence must be sent from and to the premises of the firm. Personnel who are out of town on business should route faxes to the firm where they will be forwarded to the appropriate recipients.

Additional policies concerning e-mail and other electronic communications are contained in the Employee Handbook.

Employees working from home offices

All sales correspondence from or to employees working from home offices must be routed through regional offices for purposes of review, approval, distribution and retention.

Employees working from home offices may not direct customers to send correspondence to the home office.

Employees may not send faxes containing sales literature or sales correspondence to customers or potential customers from home fax machines unless Divisional Compliance has approved such communication and established procedures for its supervision and retention.
### V. Retention

#### A. Material Relating to Securities Business

All written or electronic advertisements, sales literature, sales correspondence and other communications related to the firm's broker/dealer business must be retained for a minimum period of three years, except that:

- Communications relating to commodities or futures or options on commodities or futures must be retained for a minimum of five years.
- Communications relating to customer complaints must be retained for eight years.
- Communications relating to asset management services must be retained for six years.

Supervisors must retain evidence of supervisory reviews and approvals for the same periods.

#### B. Other Material

Retention of all other material will be in accordance with requirements established by individual divisions or business units.

---

Confidential Treatment Requested by Goldman Sachs 

Retention

GS MBS 000035818
VI. Other Issues

A. Education and Training

The firm's policies and procedures regarding written and electronic communications may be included in the firm's required annual compliance meeting and will otherwise be a part of the firm's continuing education program.

B. Monitoring

The policies set forth above will be subject to periodic review by the firm's Management Controls Department.
Divisions or business units may set up a system of reviewing appropriate samples of outgoing sales correspondence after they have been distributed.

If the division or business unit selects a sampling approach, regulations require that:

- Specific procedures must be designed and documented to provide reasonable supervision of each representative who conducts business with the public.

- The sampling techniques must be designed so that they can reasonably detect any potential violation of regulations under which the firm and its individual business units and divisions do business. Sampling levels must be set to provide statistically acceptable results. These levels must be determined in consultation with technology experts, business people, and the Legal and Compliance Departments. They will be reviewed periodically to assure reasonable accuracy and effectiveness.

In developing a sampling system, a number of additional factors should be taken into account:

- In determining the level of supervision appropriate for each sales representative, supervisors should consider the representative's overall complaint and disciplinary history, with particular emphasis on previous incidents involving communication with customers.

- Samples should be designed to reflect the breadth of an individual's communications, but need not be strictly random; samples may be concentrated on, for example, very active periods of time or very complicated or sensitive transactions.

- Electronic communications must be covered by the sample. Therefore, a selection of e-mails (and other electronic communications, if any) must also be reviewed. Where e-mail systems automatically save copies of outgoing e-mails, procedures should be adopted for the periodic review of saved e-mail folders for each person subject to review.

- The selection of specific electronic communications to be reviewed may be made by an automated system that selects individual communications for review based on key words or phrases.

- Individual supervisors are generally in the best position to determine the transactions or activities most likely to give rise to deviations from firm policies or risk to customers. Input will be sought from line-of-business supervisors in setting sampling guidelines.
Reviews are required to confirm the appropriateness of a representative's recommendations to customers. Therefore, sample selection criteria should assure that recommendations are included in the material reviewed for all representatives.

Frequency of reviews should follow these guidelines:

- Each individual's correspondence must be sampled no less often than annually.
- Supervisors may wish to review the correspondence of junior employees (e.g., second- and third-year salespersons, certain lateral hires from other firms, etc.) more frequently than annually.
- For the least-experienced employees (e.g., new hires, recent graduates of training programs, etc.), supervisors may find it advisable to review all correspondence prior to use or distribution until a level of confidence is reached as to the individual's work product.
- Records must be kept of the reviews.
- Divisions, business units, or supervisors may choose to review material more frequently or to increase the size of any sample.

In conjunction with the sampling program, a program of periodic training must be established to educate employees as to the regulatory requirements applicable to their communications. Records showing when programs were conducted and who attended or otherwise participated must be maintained and be available for audit.
Event Date: May 7, 2010

Type: News Program

Speaker: Goldman Sachs CEO Lloyd Blankfein

Witnesses:
David Faber, CNBC Anchor
Goldman Sachs CEO Lloyd Blankfein

Text:

Faber: We're with Lloyd Blankfein, chairman and CEO of Goldman Sachs after the company's annual meeting.

You mentioned introspection in answer to one of those questions that you received today, in terms of your own introspection when you looked back at this recent period. I'm curious, given that you've been introspective - not that you aren't always, what are you finding? What are you thinking about? What conclusions, if any, have you come to as a result of that?

Blankfein: In connection with what's - in connection with what's going on, there's been - everybody is aware of the intense focus on us and how we've had to respond in the conditions in which we've been responding. If there is a silver lining to this for us, it causes us to have to be thoughtful about the context in which people are saying what they're saying.

In other words, we can say this particular lawsuit that we don't think - we may not think it has merit, or this activity - defend this activity against what somebody says is a poor activity. But we have to look at it and be honest and say, somehow there's a context here in which there is a gap between the way we think about ourselves and the way the general public has thought about us and thinks about us. And we have to respond to it.

Now, a lot of our attention is going to still be, how do we work out some of the things and some of the things that people thought and defend certain aspects of behavior. But let me tell you, it is our nature, always, to be self-critical and want to improve.
And the silver lining here is this causes me, the entire organization and I think ultimately the industry to be self critical about how they did things with a view to take standards which we may believe to be fine and in our case, maybe we think we're already at the highest standards - we think we are. But to say, where do we need to go? Can we take it even higher.

FABER: Well, all right. Give me some specifics. I mean, you and I talked only a couple of weeks ago about synthetic CDO transactions. I asked you then whether they were appropriate. You at least gave an indication a couple of weeks ago, by a lot of introspection since then, that perhaps there are things that could have been done differently. Can you build on that?

BLANKFEIN: No. I think - well, in that case - and again, this is work we're going to do. And we're going to be quite focused on this. We'll come up, I'm sure, with a lot of different points.

The question you had asked is about the social purpose. And I explained what the purpose of CDO's are, and allowing people with portfolios of exposure to the mortgage markets to be able to reshape their portfolio in an efficient way, which is what a lot of people use derivatives for across the spectrum.

I then said there may be another side, like complexity and a liquidity, which might mean that not withstanding that purpose, we may decide not to do that.

That's an inquiry we would ask ourselves.

FABER: And it's one that continue - because I'm trying to get to the point - if you're being introspective, have you come to any conclusions? Or when will you? Or when will we see?

BLANKFEIN: I'll give you categories of things - transparency, how we show ourselves. I know we have been criticized in the past for not being transparent about what we show about our business - you know, our business mix. There's always concerns.

You know, there's a reason why you get to any place you are. There's investors - or someone who need to know versus your own competitive advantage about not wanting to disclose too much. We're going to analyze these things and look at this. And maybe we'll come out with a different conclusion with respect to various trade-offs. How we manage business selection, who we represent.

You know, it can be very frequently the case that there's a property in the world for sale, and maybe five of the potential buyers might be clients of Goldman Sachs. How do we pick among them?

FABER: Right. But I mean, those are always challenges.

BLANKFEIN: They are.

FABER: Things that you deal with in your business. That's no different, I would think, then the way you've thought about those challenges in the past.

BLANKFEIN: No.

Listen, we are not going to originate some new issue that hasn't come across before. But how these things are resolved, how analytic, what kind of weight you give to one consideration versus another, most of these things are trade-offs in activities. And we're going to approach that, in, you know, frankly in a way that's

https://w3.nexis.com/new/delivery/PrintDoc.do?JobHandle=1852%3A27556486%00&fromCa...

3/21/2011
informed by the current context in which we're operating.

Faber: There are reports that you're in settlement talks with the SEC. Is that true?

Blankfein: There must be true that there are reports, because I saw things in the paper.

The fact is, that we - we're in a litigation with the SEC, but the SEC is not an ordinary litigant, it's someone who regulates us with whom we interact all the time on a lot of different bases in a normal course of activity. And so we're interacting with them regularly. And people...

Faber: Should there be an expectation in some way, though, that the fraud charges will be resolved prior to going to court?

Blankfein: I can't - I can't comment on that.

Faber: Do you continue to maintain as you did vociferously when the charges first were made that you did nothing wrong? That Goldman Sachs has done nothing wrong?

Blankfein: Yes. We maintain our belief that on the facts and on the law, we think we were right, and acted appropriately.

Faber: You said during the annual meeting as well that this period has been a strain on Goldman Sachs and on its clients.

Blankfein: Yes.

Faber: Why?

Blankfein: Well, when you retain Goldman Sachs, you're retaining us for our capability, our competence, our discretion, our ability to get things done cleanly - again, it's about the client. It puts a - you know, you can't deny that with Goldman so much in the forefront and so much in the news, people have to overcome a certain reticence to be to potentially join the, you know, the public scrutiny, if that's there.

Not withstanding that, and I don't take this for granted, and believe me I'm very grateful, our clients have been tremendously loyal to us. They've supported us in every way beyond my expectations. At the same time I say that, I acknowledge I regret that we're in a position where showing our - showing support for us, you know, is not being made easy for them.

Faber: Right. Well, you said during the meeting that they were enthusiastic. Can you give me any evidence in terms of what you're talking about when you say that you've been shown support?

Blankfein: I think our clients have, you know, have stuck with us. And you'll see - the proof is in the pudding.

Faber: Right. I mean, again, I know you don't like to comment quarter to quarter. I asked you this 10 days ago. Are you seeing any diminution in your business that you believe is a result of the reputational issues that are at stake for Goldman Sachs?

Blankfein: You know, it's hard to know because of the cyclical aspects in the market as a whole is doing things differently today than it was doing before. And it's hard to know. And we'll know when we look back and we'll be able to see market shares.

https://w3.nexis.com/new/delivery/PrintDoc.do?jobHandle=1862%3A275564860&fromCa... 3/21/2011
But I believe we've been shown — and I know we've been shown, great, great support for our clients uniformly. And I again think some of our clients are, frankly, do more with us especially to show that kind of support.

FABER: You believe that they actually may be saying...

(CROSSTALK)

BLANKFEIN: Some people have had that conversation. I don't take it for granted. I appreciate it.

FABER: You're not going to do this again just to...

BLANKFEIN: I would say that it's not - it hasn't been worth it.

FABER: You and I spoke after you came out of a very long day of hearings not that long ago. When you look back on that interaction, particularly with you and Senator Levin, do you think that there's an understanding of what you're talking about when you speak to member of Congress?

BLANKFEIN: You know, I do largely. I think when you are a generalist - like a very smart generalist like a senator who has to have a sense and legislate and balance different elements - you know, like just like we were talking a few minutes ago, it's not a question is this good or is this bad, it's how good is this versus how bad is that? What should the trade-offs be. I think they are informed enough to make those kind of judgments.

Do they know the technicalities of the market? Is it...

FABER: Well, do they want to acknowledge the difference between an underwriter and a market maker? Because they certainly didn't seem to or...

BLANKFEIN: No, but I think they had an intuition that this didn't feel right. And to some extent, maybe I was inadequate to my purpose.

Let me tell you, in all our businesses, we put our clients first and we support our clients. That means different things in different parts of the business. So, for example, in an advisory business like banking, it's obvious we have a duty, a relationship to make sure they do the right thing. If they want to do X and we think it'll be right to do Y, we say, don't do X. We think you should do Y.

On the market making side, our duty to clients is served by us - whatever market conditions, whatever chaos prevails, using our capital to help our clients accomplish what they want to accomplish - we make hundreds of thousands, maybe millions of markets a day. Think of somebody going to the New York Stock Exchange, which is another kind of market.

No one is saying. I wouldn't sell that security here. No, you should buy this and not that. Client service and dedication to client in that case is standing there and being able to provide liquidity (ph) client no matter how tough the market is.

FABER: Before we wrap up, you mentioned the market, you mentioned the NYSE. Have you ever seen anything quite like that five minutes we saw yesterday in the equity markets?

BLANKFEIN: It was very unusual in the market.

FABER: Have you been told? Do you know? I mean, obviously Goldman has a pretty good feel for what's going on. Do you have an understanding of what happened yesterday?

BLANKFEIN: I've been - nobody has told me explicitly. I've been given several theories, because I have several theories - because I have several theories, I realize I have no theory. I think we're still examining some of these things.

FABER: So you don't feel as though you even understand at this point what actually - I mean, stocks traded at a penny. I mean, something went very wrong.

BLANKFEIN: But you know what I've been doing for the last few hours? Because I can't tell you, doesn't mean that people don't know it, or it's not understandable. It's just that, you know where I'd been....

FABER: High frequency trading may be blamed, in part, for what went on. Goldman conducts that business.

BLANKFEIN: I can't - I'm just not familiar with this theory. I just don't know.

FABER: But what about that business in and of itself?

BLANKFEIN: I think that business in and of itself is a good business at Goldman Sachs. And I think it's an important liquidity generator for the market. I have no opinion, because I haven't heard any connection made to me.

FABER: And finally Europe. We're dealing with, of course, a crisis there. I'm curious - you know, there's not a lot of business going on in Europe right now. And everybody is worrying about what's happening with sovereign debt and the issues that these countries - are you seeing a slow down in Europe? Are you concerned about Goldman's business in Europe? You have 5,000 people alone in London.

BLANKFEIN: Well, of course I'm concerned about the economy in Europe. And frankly you know, the whole political and social environment reaches back to the European community. I'm pretty confident that the European sovereigns will do what's necessary to restore confidence.

A lot of what's going on, not that dissimilar to what happened a couple of years ago in the market has to do with confidence and sentiment and less to do with the actualities of someone's ability to make payments.

But confidence matters, sentiment matters. And I think that...

FABER: Matters, it's the most important thing.

BLANKFEIN: It's the most important thing. And I think that the governments have - in Europe, have the motive and the wretchedness to restore that confidence. And I believe they will.

FABER: And business in Europe, you seen a slow down?

BLANKFEIN: I think generally in business, but for this interlude which is just sort of recent. I think business around the world is correlating with, you know, renewed optimism about growth. And that's occurring in Europe as well as the United States and Asia.

FABER: Lloyd Blankfein, thank you.

BLANKFEIN: Thank you very much, David.

CONFIDENTIAL

TIMBERWOLF I, LTD.
TIMBERWOLF I (DELAWARE) CORP.

U.S.$ 2,000,000 Class A-1 Floating Rate Notes Due 2009
U.S.$ 1,000,000 Class A-1 Floating Rate Notes Due 2009
U.S.$ 1,000,000 Class A-2 Floating Rate Notes Due 2008
U.S.$ 305,000,000 Class A-2 Floating Rate Notes Due 2047
U.S.$ 36,000,000 Class C Deferrable Floating Rate Notes Due 2047
U.S.$ 30,000,000 Class D Deferrable Floating Rate Notes Due 2047
U.S.$ 22,000,000 Income Notes Due 2047

Secured (with Respect to the Notes) Primarily by a Portfolio of CDO Securities and Synthetic Securities (referring to CDO Securities)

The Notes (as defined herein) and the Income Notes (as defined herein)(collectively, the "Securities") are being offered only to U.S. persons (as defined in Rule 902) under the Securities Act. The Securities are not being offered outside the United States and are not being offered or sold in the United States to non-U.S. persons, unless such offer or sale is exempt from the registration requirements of the Securities Act. The Securities have not been registered under the Securities Act and are being offered only to qualified institutional buyers (as defined in Rule 144A) and to certain non-U.S. persons outside the United States in accordance with the rules and regulations of the SEC. The Securities are not convertible into any other security and are not redeemable prior to maturity except in certain circumstances as set forth in the Indenture. The Indenture contains certain covenants relating to financial condition, operations and capitalization of the Issuer. The Indenture also contains certain events of default which, if specified shall occur, may result in the acceleration of the Note holders' obligations to make payment of the principal and interest on the Notes. The Notes may be prepaid at any time in the discretion of the Issuer.

Goldman, Sachs & Co.
Offering Circular dated March 27, 2007.

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #3724

GS MBS-E-021825371
Timberwolf I, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Issuer"), and Timberwolf I (Delaware) Corp., a Delaware corporation (the "Co-Issuer"), and, together with the Issuer, the Co-Issuer, and, together with the Issuer, the "Issuer(s)"), will issue U.S.$9,000,000 principal amount of Class C-1 Floating Rate Notes Due September 2011 (the "Class C-1 Notes"); U.S.$8,000,000 principal amount of Class C-2 Floating Rate Notes Due September 2011, (the "Class C-2 Notes") and, together with the Class C-1 Notes, (the "Class C Notes"); U.S.$100,000,000 principal amount of Class A-1a Floating Rate Notes Due 2039 (the "Class A-1a Notes"); U.S.$200,000,000 principal amount of Class A-1b Floating Rate Notes Due 2039 (the "Class A-1b Notes"); U.S.$100,000,000 principal amount of Class A-1c Floating Rate Notes Due 2044 (the "Class A-1c Notes"); U.S.$100,000,000 principal amount of Class A-1d Floating Rate Notes Due 2044 (the "Class A-1d Notes") and, together with the Class A-1a Notes, Class A-1b Notes and Class A-1c Notes, the "Class A-1 Notes"); U.S.$300,000,000 principal amount of Class A-2 Floating Rate Notes Due 2047 (the "Class A-2 Notes" and, together with the Class A-1 Notes, the "Class A Notes"); U.S.$107,000,000 principal amount of Class B Floating Rate Notes Due 2047 (the "Class B Notes") and, and together with the Class C Notes, (the "Class D Notes"); and, the Issuer will issue U.S.$30,000,000 principal amount of Class D Deferrable Floating Rate Notes Due 2047 (the "Class D Notes") and, the Issuer will issue U.S.$30,000,000 principal amount of Class D Deferrable Floating Rate Notes Due 2047 (the "Class D Notes") and, together with the Class C Notes, Class A Notes, Class B Notes and Class C Notes, the "Notes") pursuant to an Indenture (the "Indenture") dated on or about March 27, 2007 among the Issuers and The Bank of New York, as trustee and securities intermediary (the "Trustee") and the "Securities Intermediary," respectively.

In addition, the Issuer will issue U.S.$22,000,000 notional principal amount of Income Notes (the "Income Notes") and, together with the Notes, the "Securities") constituted by the deed of covenant executed by the Issuer on March 27, 2007 (the "Deed of Covenant") and subject to the terms and conditions thereof (the "Terms and Conditions") and issued pursuant to a fiscal agency agreement (the "Fiscal Agency Agreement") dated on or about March 27, 2007 between the Issuer and The Bank of New York, London Branch, as fiscal agent (the "Fiscal Agent").

The net proceeds received from the offering of the Securities will be applied by the Issuer to purchase a portfolio of CDO Securities and Synthetic Securities (the "Reference Obligations of which are CDO Securities") as described herein (collectively, together with Deliverable Obligations and any Default Swap Collateral) that has been released from the lien of the Synthetic Security Counterparty and credited to the Collateral Account as described herein, "Collateral Assets"). Default Swap Collateral and Eligible Investments. Certain summary information about the Collateral Assets and the Reference Obligations is set forth in Appendix B to this Offering Circular. On the Closing Date, the Issuer will enter into the Cashflow Swap Agreement. The Collateral Assets, the Eligible Investments and certain other assets of the Issuer will be pledged under the Indenture to the Trustee, for the benefit of the Securityholders, for the security for, among other obligations, the Issuers' obligations under the Notes (but not the Income Notes) and to certain service providers. The Income Notes will be unsecured obligations of the Issuer.

Interest will be payable on the Class C-1 Notes, Class C-2 Notes, Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes in arrears on the 3rd day of March, June, September and December of each year, or if any such date is not a Business Day, the immediately following Business Day (each such date, a "Payment Date") commencing on September 27, 2007. The Class C-1 Notes will bear interest at a per annum rate equal to LIBOR plus 0.20% for each Interest Accrual Period (as defined herein). The Class C-2 Notes will bear interest at a per annum rate equal to LIBOR plus 0.35% for each Interest Accrual Period. The Class A-1a Notes will bear interest at a per annum rate equal to LIBOR plus 0.50% for each Interest Accrual Period. The Class A-1b Notes will bear interest at a per annum rate equal to LIBOR plus 0.50% for each Interest Accrual Period. The Class A-1c Notes will bear interest at a per annum rate equal to LIBOR plus 0.60% for each Interest Accrual Period. The Class A-1d Notes will bear interest at a per annum rate equal to LIBOR plus 1.30% for each Interest Accrual Period. The Class A-2 Notes will bear interest at a per annum rate equal to LIBOR plus 0.50% for each Interest Accrual Period. The Class B Notes will bear interest at a per annum rate equal to LIBOR plus 1.40% for each Interest Accrual Period. The Class C Notes will bear interest at a per annum rate equal to LIBOR plus 4.00% for each Interest Accrual Period. The Class D Notes will bear interest at a per annum rate equal to LIBOR plus 10.00% for each Interest Accrual Period. Payments will be payable on the Income Notes from funds available in accordance with the Priority of Payments.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825372
All payments on the Securities will be made from Proceeds available in accordance with the Priority of Payments. On each Payment Date, except as otherwise provided in the Priority of Payments, payments on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; payments on the Class S-2 Notes will be senior to payments on the Class A-2 Notes (provided, that payments of interest on the Class S-2 Notes and the Class A-1 Notes will be paid pro rata), the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; payments on the Class A-1 Notes will be senior to payments on the Class A-2 Notes (provided, that payments of interest on the Class A-1 Notes will be paid pro rata), the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; payments on the Class A-2 Notes will be senior to payments on the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; payments on the Class B Notes will be senior to payments on the Class C Notes, the Class D Notes and the Income Notes; payments on the Class C Notes will be senior to payments on the Class D Notes and the Income Notes; and payments on the Class D Notes will be senior to payments on the Income Notes, in accordance with the Priority of Payments as described herein. The Notes (other than the Class S-1 Notes) are subject to mandatory redemption if a Coverage Test is not satisfied on any date of determination which may result in variations to the securitization of distributions described above and as more fully described in the Priority of Payments. Payments of principal on the Class A-1 Notes will be paid in accordance with the Class A-1 Note Payment Sequence.

The Notes and, to the extent described herein, the Income Notes, are subject to redemption, (i) at any time as a result of a Tax Redemption, (ii) on an Auction Payment Date as a result of a successful Auction or (iii) as a result of an Optional Redemption by Repricing or an Optional Redemption by Liquidation on or after the March 2010 Payment Date. The Income Notes will not be redeemed in full, or in part, in connection with an Optional Redemption by Repricing, the stated maturity of the Notes and the Income Notes (other than the Class B Notes and the Class A-1 Notes) is the Payment Date in December 2047. The stated maturity of the Class B Notes is the Payment Date in September 2011. The stated maturity of the Class A-1a Notes and the Class A-1b Notes is the Payment Date in December 2039. The stated maturity of the Class A-1c Notes and the Class A-1d Notes is the Payment Date in September 2040. The actual final distribution on the Securities (other than the Class S Notes) is expected to occur substantially earlier than their respective stated maturities. See "Risk Factors—Securities—Average Lives, Duration and Prepayment Considerations."

Notes sold in reliance on Rule 144A under the Securities Act ("Rule 144A") will be evidenced by one or more global notes (the "Rule 144A Global Notes") in fully registered form without coupons, described with a description of, and registered in the name of, a nominee of The Depository Trust Company ("DTC"). Beneficial interests in the Rule 144A Global Notes will trade in DTC’s Same Day Funds Settlement System, and secondary market trading activity in such interests will therefore settle in immediately available funds. Except as described herein, beneficial interests in the Rule 144A Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants. The Income Notes sold in reliance on Rule 144A under the Securities Act will be evidenced by one or more Definitive Notes in fully registered form.

The Securities that are being offered hereby in reliance on the exemption from registration under Regulation S (the "Regulation S Securities") have not been and will not be registered under the Securities Act and neither the Issuers nor their Distributors will be registered under the Investment Company Act. The Regulation S Securities may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S) unless the purchaser certifies or is deemed to have certified that it is a qualified institutional buyer as defined in Rule 144A (a "Qualified Institutional Buyer") and a "qualified purchaser" for the purposes of Section 3(c)(7) of the Investment Company Act (a "Qualified Purchaser") or, solely in the case of the Income Notes, that it is an "accredited investor" as defined in Rule 501(a) under the Securities Act (an "Accredited Investor") who has a net worth of not less than U.S. $10 million and a Qualified Purchaser. See "Description of the Securities" and "Underwriting."

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825373
The Income Notes (other than the Regulation S Income Notes) will be evidenced by one or more definitive notes in fully registered form (each, an "Income Note Certificate"). See "Description of the Securities."

This Offering Circular is confidential and is being furnished by the Issuer in connection with an offering exempt from registration under the Securities Act, solely for the purpose of enabling a prospective investor to consider the purchase of the Securities described herein. The information contained in this Offering Circular has been provided by the Issuer and other sources identified herein. Except in respect of the information contained under the heading "The Collateral Manager," other than the information contained under the subheading "General," for which the Collateral Manager accepts sole responsibility, to the extent described in such section, no representation or warranty, express or implied, is made by the Initial Purchaser, the Collateral Manager, the Cashflow Swap Counterparty (or any guarantor thereof), the Trustee, the Collateral Administrator, the Note Agent (as defined herein) or the Fiscal Agent (the Note Agents, the Collateral Administrator and the Fiscal Agent together, the "Agents") as to the accuracy or completeness of such information, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Initial Purchaser, the Trustee, the Collateral Manager, the Cashflow Swap Counterparty (or any guarantor thereof) or the Agents. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information therein for any purpose other than considering an Investment in the Securities is prohibited. Each officer of the Issuer, by accepting delivery of this Offering Circular, agrees to the foregoing.

THE SECURITIES OFFERED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The distribution of this Offering Circular and the offering and sale of the Securities in certain jurisdictions may be restricted by law. The Issuer and the Initial Purchaser require persons into whose possession this Offering Circular comes to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offering and sales of the Securities, see "Underwriting." This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Securities in any jurisdiction in which such offer or invitation would be unlawful.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.
No invitation may be made to the public in the Cayman Islands to subscribe for the Securities.

The Initial Purchaser has represented, warranted and agreed that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the issuer, and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom. See "Undertaking."

The Securities may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Securities may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under circumstances in which such offer, sale or invitation does not constitute an offer or sale, or invitation for subscription or purchase, of the Securities to the public in Singapore.

The Securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and the Initial Purchaser has agreed that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan, or to others for re-offering or resale, directly or indirectly, in Japan to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

NOTICE TO RESIDENTS OF THE REPUBLIC OF IRELAND

THIS OFFERING CIRCULAR IS NOT A PROSPECTUS AND DOES NOT CONSTITUTE AN INVITATION TO THE PUBLIC TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES AND NEITHER IT NOR ANY FORM OF APPLICATION WILL BE ISSUED, CIRCULATED OR DISTRIBUTED TO THE PUBLIC.

THIS OFFERING CIRCULAR AND THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND IS FOR THE USE SOLELY OF THE PERSON TO WHOM IT IS ADDRESSED. ACCORDINGLY, IT MAY NOT BE REPRODUCED IN WHOLE OR IN PART, NOR MAY ITS CONTENTS BE DISTRIBUTED IN WRITING OR ORALLY TO ANY THIRD PARTY AND IT MAY BE READ SOLELY BY THE PERSON TO WHOM IT IS ADDRESSED AND HIGHER PROFESSIONAL ADVISERS.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825375
In this offering circular, references to "U.S. Dollars," "$" and "U.S.$" are to United States dollars.

The Issuer (and, with respect to the information contained in this offering circular under the heading "The Collateral Manager" (other than the information contained under the subheading "General"), the Collateral Manager to the extent described in such section), having made all reasonable inquiries, confirm that the information contained in this offering circular is true and correct in all material respects and is not misleading, that the opinions and intentions expressed in this offering circular are honestly held and that there are no other facts the omission of which would make any such information or the expression of any such opinions or intentions misleading. The Issuer (and, with respect to the information in this offering circular under the heading "The Collateral Manager" (other than the information contained under the subheading "General"), the Collateral Manager, to the extent described in such section) take responsibility accordingly.

No person has been authorized to give any information or to make any representation other than those contained in this offering circular, and, if given or made, such information or representation must not be relied upon as having been authorized. This offering circular does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates, or an offer to sell or the solicitation of an offer to buy such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this offering circular nor any sale hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date of this offering circular.

NOTWITHSTANDING ANY OTHER EXPRESS OR IMPLIED AGREEMENT TO THE CONTRARY, EACH RECIPIENT OF THIS OFFERING CIRCULAR AGREES AND ACKNOWLEDGES THAT THE ISSUERS HAVE AGREED THAT EACH OF THEM AND THEIR EMPLOYEES, REPRESENTATIVES AND OTHER AGENTS MAY DISCLOSE, IMMEDIATELY UPON COMMENCEMENT OF DISCUSSIONS, TO ANY AND ALL PERSONS THE TAX TREATMENT AND TAX STRUCTURE OF THE SECURITIES, THE TRANSACTIONS DESCRIBED HEREIN AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO ANY OF THEM RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE EXCEPT WHERE CONFIDENTIALITY IS NONTEABLY NECESSARY TO COMPLY WITH THE SECURITIES LAWS OF ANY APPLICABLE JURISDICTION.

PROSPECTIVE INVESTORS SHOULD READ THIS OFFERING CIRCULAR CAREFULLY BEFORE DECIDING WHETHER TO INVEST IN THE SECURITIES AND SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION SET FORTH UNDER THE HEADING "RISK FACTORS" INVESTMENT IN THE SECURITIES IS SPECULATIVE AND INVOLVES SIGNIFICANT RISK. INVESTORS SHOULD UNDERSTAND SUCH RISKS AND HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THEM FOR AN EXTENDED PERIOD OF TIME.
1. (a) In the case of Notes sold in reliance on Rule 144A (the "Rule 144A Notes"), the purchaser of such Rule 144A Notes (i) is a qualified institutional buyer (as defined in Rule 144A) ("Qualified Institutional Buyer"), (ii) is aware that the sale of Notes to it is being made in reliance on Rule 144A, (iii) is acquiring the Rule 144A Notes for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than $100,000 and (iv) will provide notice of the transfer restrictions described in this "Notice to Investors" to any subsequent transferee.

(b) In the case of the Income Notes, other than any Income Notes sold in reliance on Regulation S, the purchaser of such Income Notes (i) is a Qualified Institutional Buyer, (ii) is aware that the sale of the Income Notes to it is being made in reliance on Rule 144A, (iii) is acquiring the Income Notes for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion, and, unless otherwise permitted by the Fiscal Agency Agreement, is purchasing an aggregate notional principal amount of not less than $100,000 Income Notes for the purchaser and for each such account and (iv) will provide notice of the transfer restrictions described in this "Notice to Investors" to any subsequent transferee; or (v) if the purchaser is not a Qualified Institutional Buyer, such purchaser (a) is a person who is an "accredited investor" (as defined in Rule 501(a) under the Securities Act) (an "Accredited Investor") who has a net worth of not less than $10 million that is purchasing the Income Notes for its own account, (b) is not acquiring the Income Notes with a view to any resale or distribution thereof, other than in accordance with the restrictions set forth below, (c) is purchasing an aggregate notional principal amount of not less than $100,000 Income Notes (unless otherwise permitted by the Fiscal Agency Agreement) and (d) will provide notice of the transfer restrictions described in this "Notice to Investors" to any subsequent transferee.

2. The purchaser understands that the Securities have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction, are being offered only in a transaction not involving any public offering, and may be reoffered, resold or otherwise transferred only (A) to a person whom the purchaser reasonably believes is a Qualified Institutional Buyer and is purchasing for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion, and in a transaction meeting the requirements of Rule 144A, (B) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or (B) solely in the case of the Income Notes, to an Accredited Investor who has a net worth of not less than $10 million, and who shall have satisfied, and shall have represented, warranted, covenanted and agreed in the case of the Class D Notes and the Income Notes (other than the Regulation S Class D Notes and Regulation S Income Notes), or shall be deemed to have satisfied, and shall otherwise be deemed to have represented, warranted, covenanted and agreed that it will continue to comply with, all requirements for transfer of the Securities specified in this offering circular, the Indenture, and, in the case of the Class D Notes and the Income Notes (other than the Regulation S Class D Notes and Regulation S Income Notes), in the Income Notes Purchase and Transfer Letter and the Fiscal Agency Agreement, and, in the case of the Regulation S Income Notes, in the Fiscal Agency Agreement, and all other requirements for it to qualify for an exemption from registration under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States. Before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, the transferee will be required to provide the Note Transfer Agent with a written certification (in the form provided in the Indenture) as to compliance with the transfer restrictions.
Footnote Exhibits - Page 5467

3. The purchaser of each Security also understands that neither of the Issuers has been registered under the Investment Company Act, in the case of the Rule 144A Notes and the Income Notes described in paragraph (1) above, the purchaser and each account for which the purchaser is acquiring such Securities is a qualified purchaser for the purpose of Section 3(a)(7) of the Investment Company Act (a "Qualified Purchaser"). The purchaser is acquiring Notes in a principal amount, in the case of Rule 144A Notes, of not less than U.S.$100,000, or, in the case of Notes sold in reliance on Regulation S ("Regulation S Notes"), of not less than U.S.$100,000, or is purchasing Income Notes in the aggregate notional principal amount of not less than U.S.$100,000. The purchaser (or if the purchaser is acquiring Securities for any account, such account) is acquiring the Securities as principal for its own account or for sale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of acquiring the Securities (except when each beneficial owner of the purchaser and each such account is a Qualified Purchaser); (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners, (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated Issuers. Further, the purchaser agrees with respect to itself and each such account: (i) that it shall not hold such Securities for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes and (ii) that it shall not sell participation interests in the Securities or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Securities. The purchaser understands and agrees that any purported transfer of Securities to a purchaser that does not comply with the requirements of this paragraph (3) will, in the case of the Class S Notes, Class A Notes, Class B Notes, Class C Notes, the Regulation S Class D Notes and Regulation S Income Notes, be null and void ab initio and, in the case of the Class D Notes (other than the Regulation S Class D Notes) and Income Notes (other than the Regulation S Income Notes), not be permitted or registered by the Trustee or the Registrar or the Fiscal Agent or the Income Note Registrar, as applicable. The purchaser further understands that the Issuers have the right to compel any beneficial owner of Securities that is a U.S. Person and is not a Qualified Institutional Buyer or, in the case of the Income Notes, an Accredited Investor to sell its interest in such Securities, or the Issuers may sell such Securities on behalf of such owner.

4. (a) With respect to the Class S Notes, Class A Notes, Class B Notes and Class C Notes, each purchaser will be deemed, by its purchase, to have represented and warranted that either (i) the purchaser is not and will not be an ERISA Plan (as defined herein), a plan that is subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "Code"), or any entity whose underlying assets include "plan assets" by reason of any such plan's investment in the entity ("Plan Assets"); or (ii) the purchaser's purchase and holding of a Class S Note, Class A Note, Class B Note or Class C Note does not and will not constitute or result in a prohibited transaction under Section 406 of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Code for which an exemption is not available. The purchaser understands and agrees that any purported transfer of a Note to a purchaser that does not comply with the requirements of this paragraph (4)(a) shall be null and void ab initio.
(b) With respect to each of the Income Notes and Class D Notes (other than Regulation S Income Notes and Regulation S Class D Notes) purchased or transferred on or after the Closing Date, the purchaser or transferee must disclose in writing to the Trustee or the Fiscal Agent, as applicable, (i) whether or not it is (A) an "employee benefit plan" (as defined in Section 3(3) of ERISA), that is subject to Title I of ERISA, (B) a "plan" described in and subject to Section 4975 of the Code, or (C) an entity whose underlying assets include "plan assets" within the meaning of ERISA by reason of any such plan's investment in the entity (all such persons and entities described in clauses (A) through (C) being referred to herein as "Benefit Plan Investors"); (ii) if the purchaser is a Benefit Plan Investor, either (x) the purchase and holding of Income Notes or Class D Notes (other than Regulation S Income Notes and Regulation S Class D Notes), as applicable, do not and will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available or (y) the purchase and holding of Income Notes or Class D Notes (other than Regulation S Income Notes and Regulation S Class D Notes), as applicable, is exempt under an identified Prohibited Transaction Class Exemption or Individual exemption, based on the assumption that less than 26% of each of the outstanding Income Notes or Class D Notes, as applicable, are owned by Benefit Plan Investors; and (iii) whether or not it is the Issuer or any person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Issuer, a person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Issuer, or any "affiliate" (within the meaning of 29 C.F.R. Section 2510.3-101(3) or any person (such as a "Controlling Person."). If a purchaser is an entity described in (x)(ii) above, or an insurance company acting on behalf of its general account, it may be required to so indicate, and to identify a maximum percentage of its assets or the assets in its account, as applicable, that may be or become plan assets, in which case it will be required to make certain further agreements that would apply in the event that such maximum percentage would thereafter be exceeded. The purchaser agrees that, before any interest in an Income Note or a Class D Note (other than a Regulation S Income Note or a Regulation S Class D Note) may be offered, sold, pledged or otherwise transferred, the transferee will be required to provide the Trustee or Fiscal Agent, as applicable, with an Income Notes Purchase and Transfer Letter or a Class D Notes Purchase and Transfer Letter stating, among other things, whether the transferee is a Benefit Plan Investor. The purchaser acknowledges and agrees that no purchase or transfer will be permitted, and the Trustee or Fiscal Agent will not register any such transfer, to the extent that the purchase or transfer would result in Benefit Plan investors owning 25% or more of either of the outstanding Income Notes or Class D Notes, immediately after such purchase or transfer (determined in accordance with the Fiscal Agency Agreement), the foregoing procedures are intended to enable Income Notes and Class D Notes (other than Regulation S Income Notes and Regulation S Class D Notes) to be purchased by or transferred to Benefit Plan Investors at any time, although no assurance can be given that there will not be circumstances in which purchases or transfers of Income Notes or Class D Notes will be required to be restricted in order to comply with the aforementioned 25% limitation. No Benefit Plan Investor or Controlling Person may purchase a Regulation S Income Note or Regulation S Class D Note. Purchasers of Regulation S Income Notes or Regulation S Class D Note are deemed to represent that they are not Regulation S Investors or Controlling Persons. See "SRIA Considerations."  

5. The purchaser is not purchasing the Securities with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Securities involves certain risks, including the risk of loss of the entire investment in the Securities under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Securities as it deemed necessary or appropriate in order to make an informed Investment decision with respect to the purchase of the Securities, including an opportunity to ask questions of, and request information from, the Issuer.

6. In connection with the purchase of the Securities: (i) none of the Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the Agents, the Cashflow Swap Counterparty (or any guarantor thereof), the Issuer Administrator or the Share Trustee (as defined herein) is acting as a fiduciary or financial or investment adviser for the purchaser; (ii) the purchaser is not relying (for purposes of making any Investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the Agents, the Cashflow Swap Counterparty (or any guarantor thereof), the Issuer Administrator or the Share Trustee
other than in this offering circular for such Securities and any representations expressly set forth in a
written agreement with such party; (iii) none of the Issuer, the Initial Purchaser, the Collateral Manager,
the Trustee, the Agents, the Cashflow Swap Counterparty (or any guarantor thereof), the Issuer
Administrator or the Share Trustee has given to the purchaser (directly or indirectly through any other
person) any assurance, guarantee or representation whatsoever as to the expected or projected success,
profitability, return, performance, results, effect, consequences or benefit (including legal, regulatory, tax,
financial, accounting or otherwise) as to an investment in the Securities; (iv) the purchaser has consulted
with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it
has deemed necessary, and it has made its own investment decisions (including decisions regarding the
suitability of any transaction pursuant to the Indenture and Fiscal Agency Agreement) based upon its own
judgment and upon any advice from such advisors as it has deemed necessary and not upon any view
expressed by Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the Agents, the Cashflow
Swap Counterparty (or any guarantor thereof), the Issuer Administrator or the Share Trustee; (v) the
purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and
sale of the Securities with a full understanding of all of the risks thereof (economic and otherwise), and is
capable of assuming and willing to assume (financially and otherwise) those risks; and (vi) the purchaser
is a sophisticated investor.

7. Pursuant to the terms of the Indenture, unless otherwise determined by the Issuer in accordance
with the Indenture, the Class B Notes, the Class A Notes, the Class D Notes, the Class C
Notes and the Class D Notes sold to non-U.S. Persons in offshore transactions (the “Regulation S Class
D Notes”) will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED
STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND
THE ISSUER HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES
INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT
COMPANY ACT"), THE HOLDER HEREOF, BY PURCHASING THE NOTES IN
RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT
OF THE ISSUER, IN THE CASE OF THE NOTES OTHER THAN THE CLASS D
NOTES, AND THE ISSUER, IN THE CASE OF THE CLASS D NOTES, THAT THE
NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED,
ONLY (a) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A
QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE
SECURITIES ACT THAT IS NOT A BROKER-DEALER WHICH OWNS AND
HOLD THE SECURITIES, (b) ON A DISCRETIONARY BASIS OR LESS THAN U.S.$15 MILLION IN SECURITIES
OF ISSUER THAT ARE NOT AFFILIATED PERSONS OF THE INITIAL PURCHASER
AND IS NOT A PLAN REFERRED TO IN PARAGRAPHS (a)(1)(ii) OR (a)(1)(iii) OF
RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPHS (a)(1)(i) OR (a)(1)(ii)
RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS
WRT RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN,
PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED
INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF
RULE 144A UNDER THE SECURITIES ACT OR (c) TO A NON-U.S. PERSON IN AN
OFFSHORE TRANSACTION COMPLYING WITH RULE 902 OR RULE 904 OF
REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (a),
IN A PRINCIPAL AMOUNT OF NOT LESS THAN U.S.$250,000 OR IN THE CASE OF
CLAUSE (b), A PRINCIPAL AMOUNT OF NOT LESS THAN U.S.$100,000, FOR THE
PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A
PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (b), (i) IS A
QUALIFIED PURCHASER FOR PURPOSES OF SECTION 3(a)(7) OF THE
INVESTMENT COMPANY ACT, (ii) WAS NOT FORMED FOR THE PURPOSE OF
INVESTING IN THE SECURITY (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE
PURCHASER IS A QUALIFIED PURCHASER), (iii) HAS RECEIVED THE NECESSARY
CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A
PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (i) IS NOT A
Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825380
BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (2) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. EACH HOLDER HEREOF SHALL BE DEEMED TO MAKE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE (AS DEFINED HEREIN). ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AS OF THE DATE AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE. NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUERS, THE NOTE TRANSFER AGENT OR ANY INTERMEDIARY, EACH TRANSFEROR OF THE NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUERS HAVE THE RIGHT, UNDER THE INDENTURE (AS DEFINED HEREIN), TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A RULE 144A GLOBAL NOTE (AS DEFINED IN THE INDENTURE) THAT IS A U.S. PERSON AND IS NOT BOTH A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER TO SELL ITS INTEREST IN THE NOTES, OR MAY SELL SUCH INTERESTS ON BEHALF OF SUCH OWNER.

THE PURCHASER OR TRANSFEREE OF A CLASS D NOTE IS DEEMED REPRESENT (I) THAT IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREBIN AS "BENEFIT PLAN INVESTORS"), AND (II) THAT IT IS NOT THE COLLATERAL MANAGER OR ANY OTHER PERSON OTHER THAN A BENEFIT PLAN INVESTOR WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON NO PURCHASE OR TRANSFER OF CLASS D NOTES WILL BE PERMITTED OR REGISTERED TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING CLASS D NOTES OTHER THAN THE CLASS D NOTES OWNED BY THE COLLATERAL MANAGER, THE TRUSTEE AND THEIR AFFILIATES IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH SECTION 3(42) OF ERISA, 29 C.F.R. SECTION 2510.3-101 AND THE INDENTURE).

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDAS, HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDAS & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREOF IS MADE TO CEDAS & CO.).
8. Pursuant to the terms of the Indenture, unless otherwise determined by the Issuer in accordance with the Indenture, the Class D Notes (other than the Regulation S Class D Notes) will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), THE HOLDER HEREBY, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (X) TO A PERSON WHOSE REASONABLE BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE INITIAL PURCHASER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (X)(1)(d) OR (X)(1)(e) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (X)(1)(f) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) TO A NON U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN U.S.$250,000 OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN U.S.$100,000, FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (2), (i) IS A QUALIFIED PURCHASER FOR PURSUITS OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (ii) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (iii) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825382
IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996. (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $5,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE NOTE TRANSFER AGENT. EACH TRANSFEREE OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREBE AND IN THE INDEBTEDNESS TO ITS TRANSFEREE.


THE PURCHASER OR TRANSFEE OF THIS NOTE MUST DISCLOSE IN WRITING IN ADVANCE TO THE TRUSTEE (A) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(40) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED) ("ERISA"), THAT IS SUBJECT TO THE PROVISIONS OF TITLE 1 OF ERISA, (B) A "PLAN" DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITIES OF WHICH CONTROLLED OWNED OR COLLABORATE WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER; AND ANY OTHER PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCLOSURE AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER; OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(I)(3)) OF ANY SUCH PERSON. IF A PURCHASER IS AN ENTITY AS DESCRIBED IN (B)(C) ABOVE, OR AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT, IT WILL BE PERMITTED TO SO INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF ITS ASSETS OR THE ASSETS OF ITS GENERAL ACCOUNT, AS APPLICABLE, THAT MAY BE OR BECOME PLAN ASSETS, IN WHICH CASE IT WILL BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREES THAT, BEFORE ANY INTEREST IN A CLASS D NOTE MAY BE OFFERED, SOLD,
PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE NOTE TRANSFER AGENT WITH A CLASS D NOTES PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR. NO PURCHASE OR TRANSFER OF CLASS D NOTES WILL BE PERMITTED OR REGISTERED TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING CLASS D NOTES (OTHER THAN THE CLASS D NOTES OWNED BY THE COLLATERAL MANAGER, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH SECTION 362) OF ERISA, 29 C.F.R. SECTION 2510.3-101 AND THE INDENTURE.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASSESS ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE NOTE PAYING AGENT.

THE FOLLOWING INFORMATION IS PROVIDED PURSUANT TO UNITED STATES TREASURY REGULATION SECTION 1.1275-3(b). THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE HOLDER OF THIS NOTE MAY OBTAIN THE INFORMATION DESCRIBED IN UNITED STATES TREASURY REGULATION SECTION 1.1275- 3(b)(1)(i) FROM THE ADMINISTRATOR AT THE FOLLOWING ADDRESS: P.O. BOX 1103 GT, GRAND CAYMAN, CAYMAN ISLANDS.

9. The purchaser acknowledges that it is its intent and that it understands it is the intent of the issuer that, for purposes of U.S. federal Income, state and local Income and franchise tax and any other income taxes, the issuer will be treated as a non-U.S. corporation; the Notes will be treated as indebtedness of the issuer; and the Income Notes will be treated as equity in the issuer. The purchaser agrees to such treatment and agrees to take no action inconsistent with such treatment.

10. If the purchaser or beneficial owner is a non-U.S. Holder, such purchaser or beneficial owner represents that (i) it is a non-U.S. Holder, (ii) it has purchased the Notes for genuine business purposes, (iii) it is a person that is a party to a loan agreement entered into in the ordinary course of a trade or business, (iv) if it is a person that is a party to a loan agreement, it has satisfied the requirements of U.S. federal income tax law, and (v) it is a person that is a party to a loan agreement, it has satisfied the requirements of the U.S. federal income tax law.

11. The purchaser agrees not to treat the Issuer as being engaged in the active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(c)(3) of the Code.

12. The purchaser agrees to timely furnish the Issuer or its agents any U.S. federal income tax form or certification (such as IRS Form W-8BEN (Certification of Foreign Status), Form W-8IMY (Certification of Foreign Intermediary Status), Form W-8BGI (Request for Taxpayer Identification Number and Certification) or Form W-8ECI (Certification of Foreign Person's Claim for Exemption from Withholding on Income Effectively Connected with Conduct of a U.S. Trade or Business) or any successors to such IRS forms) that the Issuer or its agents may reasonably request and to update or replace such form or certification in accordance with its terms or its subsequent amendments.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825384
13. The purchaser agrees to timely furnish the issuer, upon request, with such information as may reasonably be requested by the issuer (including but not limited to information relating to the beneficial owner of the Note) in connection with the issuer's fulfillment of its tax reporting, notification, withholding and similar obligations arising under the Code (as amended from time to time) or the Transaction Documents.

14. The purchaser understands that the Issuer, the Trustee, the Initial Purchaser and the Collateral Manager and their counsel will rely upon the accuracy and truth of the foregoing representations, and the purchaser hereby consents to such reliance.

15. Pursuant to the terms of the Fiscal Agency Agreement, unless otherwise determined by the Issuer in accordance with the Fiscal Agency Agreement, the Income Notes (other than the Regulation S Income Notes) will bear a legend to the following effect:


THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), THE Holder HEREOF, BY PURCHASING THE INCOME NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH INCOME NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (x) TO A PERSON WHOY THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, OR IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION COMPLYING WITH RULE 144A UNDER THE SECURITIES ACT, (y) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(A) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$100 MILLION IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (z) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN EACH CASE IN A MINIMUM DENOMINATION OF U.S.$100,000. FURTHERMORE THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (x) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (x) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 405(2) OF THE INVESTMENT COMPANY ACT, (w) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (q) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825385
TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE FISCAL AGENT OR THE INCOME NOTE REGISTRAR. EACH TRANSFEROR OF THE INCOME NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE.


THE PURCHASER OR TRANSFEREE MUST DISCLOSE IN WRITING IN ADVANCE TO THE FISCAL AGENT WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); (I) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR, THAT THE PURCHASE AND MOLDING OR TRANSFER OF INCOME NOTES DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 409 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE, AND (II) WHETHER OR NOT IT IS THE COLLATERAL MANAGER OR ANY OTHER PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-10(i)(3)) OF ANY SUCH PERSON, IF A PURCHASER IS AN ENTITY AS DESCRIBED IN (II) ABOVE, OR AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT, IT WILL BE PERMITTED TO SO INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF ITS ASSETS OR THE ASSETS IN ITS GENERAL ACCOUNT, AS APPLICABLE, THAT MAY BE INCOME PLAN ASSETS, IN WHICH CASE IT WILL BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREES THAT, BEFORE ANY INTEREST IN AN INCOME NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE FISCAL AGENT WITH AN INCOME NOTES PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825386
A BENEFIT PLAN INVESTOR, NO PURCHASE OR TRANSFER OF INCOME NOTES
WILL BE PERMITTED OR REGISTERED TO THE EXTENT THAT THE PURCHASE OR
TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR
MORE OF THE OUTSTANDING INCOME NOTES (OTHER THAN THE INCOME
NOTES OWNED BY THE COLLATERAL MANAGER, THE TRUSTEE AND THEIR
AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER
(DETERMINED IN ACCORDANCE WITH SECTION 3(2) OF ERISA, 29 C.F.R.
SECTION 2510.3-101 AND THE FISCAL AGENCY AGREEMENT).

PAYMENTS TO THE HOLDERS OF THE INCOME NOTES ARE SUBORDINATE TO
THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON
THE NOTES OF THE ISSUERS AND THE PAYMENT OF CERTAIN OTHER
AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN
ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE FISCAL AGENCY
AGREEMENT.

16. Pursuant to the terms of the Fiscal Agency Agreement, unless otherwise determined by
the Issuer in accordance with the Fiscal Agency Agreement, the certificates in respect of the Regulation S
Income Notes will bear a legend to the following effect:

THE INCOME NOTES ARE CONSTITUTED BY THE DEED OF COVENANT
EXECUTED BY THE ISSUER ON OR ABOUT MARCH 27, 2007 AND ARE SUBJECT
TO THE TERMS AND CONDITIONS THEREOF AND CERTAIN CONDITIONS OF THE
FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT MARCH 27, 2007 (THE
"FISCAL AGENCY AGREEMENT") BY AND AMONG THE ISSUER AND THE BANK OF
NEW YORK, LONDON BRANCH, AS FISCAL AGENT AND INCOME NOTE TRANSFER
AGENT. COPIES OF THE DEED OF COVENANT, THE TERMS AND CONDITIONS OF
THE INCOME NOTES AND THE FISCAL AGENCY AGREEMENT MAY BE OBTAINED
FROM THE FISCAL AGENT.

THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER
THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES
ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED
STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT
COMPANY ACT"), THE HOLDER HEREBY, BY PURCHASING THE INCOME NOTES
REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT
SUCH INCOME NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE
TRANSFERRED, ONLY (A)(1) TO A PERSON WHOSE PURCHASE IS NOT IN VIOLATION
OF APPLICABLE SECURITIES LAWS, (B)(2) TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE
144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR
FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION
MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (C)
TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE
SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION
IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES
ACT, OR (D) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION
COMPLIANCE WITH RULE 902 OR RULE 904 OF REGULATION S UNDER
THE SECURITIES ACT, AND IN EACH CASE IN A MINIMUM DENOMINATION OF
U.S.$100,000. FURTHERMORE THE PURCHASER AND EACH ACCOUNT FOR
WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE
(A)(3) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (X) IS A
QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE
INVESTMENT COMPANY ACT, (Y) WAS NOT FORMED FOR THE PURPOSES OF
INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE
PURCHASER IS A QUALIFIED PURCHASER), (Z) HAS RECEIVED THE NECESSARY

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-C21825387
CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996. (1) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS IN A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (2) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE FISCAL AGENT OR THE INCOME NOTE REGISTRAR. EACH TRANSFEROR OF THE INCOME NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFeree.

THE TRANSFEREE OF THIS SECURITY WILL BE DEEMED TO HAVE REPRESENTED THAT THE TRANSFEREE IS NOT A U.S. PERSON.

THE PURCHASER OR TRANSFEREE OF THIS INCOME NOTE IS DEEMED TO REPRESENT (I) THAT IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"), AND (I) THAT IT IS NOT THE COLLATERAL MANAGER OR ANY OTHER PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(D)) OF ANY SUCH PERSON, NO PURCHASE OR TRANSFER OF INCOME NOTES WILL BE PERMITTED OR REGISTERED TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING MORE OF THE OUTSTANDING INCOME NOTES OTHER THAN THE INCOME NOTES OWNED BY THE COLLATERAL MANAGER, THE TRUSTEE AND THEIR AFFILIATES IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH SECTION 3(42) OF ERISA, 29 C.F.R. SECTION 2510.3-101 AND THE FISCAL AGENCY AGREEMENT).

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS INCOME NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, Cede & Co., HAS AN INTEREST HEREIN. UNLESS THIS INCOME NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE ISSUER OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY INCOME NOTE ISSUED IS REGISTERED IN THE NAME OF Cede & Co. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREOF IS MADE TO Cede & Co.). TRANSFERS OF THIS INCOME NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS
OF THIS INCOME NOTE SHALL BE LIMITED TO TRANSFERS MADE IN
ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE FISCAL AGENCY
AGREEMENT.

PAYMENTS TO THE HOLDERS OF THE INCOME NOTES ARE SUBORDINATE TO
THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL AND INTEREST ON
THE NOTES OF THE ISSUERS AND THE PAYMENT OF CERTAIN OTHER
AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

The Securities that are being offered hereby in reliance on the exemption from registration under Regulation S (the "Regulation S Notes"; the "Regulation S Income Notes"; and collectively, the "Regulation S Securities") have not been and will not be registered under the Securities Act and neither of the Issuers will be registered under the Investment Company Act. The Regulation S Securities may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S) unless the purchaser certifies or is deemed to have certified that it is a qualified institutional buyer as defined in Rule 144A (a "Qualified Institutional Buyer") and a "qualified purchaser" for the purpose of Section 3(c)(7) of the Investment Company Act (a "Qualified Purchaser") or, solely in the case of the Income Notes, that it is an "accredited investor" as defined in Rule 501(a) under the Securities Act (an "Accredited Investor") who has a net worth of not less than U.S.$10 million and a Qualified Purchaser, and takes delivery in the form of (i) an interest in a Rule 144A Global Note or a definitive Class D Note in an amount at least equal to the minimum denomination applicable to the Rule 144A Notes or (ii) an Income Note in a notional principal amount of not less than U.S.$100,000. See "Description of the Securities" and "Underwriting."

The requirements set forth under "Notice to Investors" above apply only to Securities offered in the United States, except for the requirements set forth in Paragraphs (4), (5), (9), (10), (11), (12), (13) and (14) and except that the Regulation S Securities will bear the legend set forth in Paragraphs (7) and (18) under "Notice to Investors" above.


EACH PURCHASER OF THE SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR Sells SUCH SECURITIES OR POSSESSSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE OF SUCH SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUERS, THE INITIAL PURCHASER, THE COLLATERAL MANAGER, THE CASHFLOW SNAP COUNTERPARTY (OR ITS SUBROGEE) OR THEIR AGENTS SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.
AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with the resale of the Securities, the issuers will be required under the Indenture and the Fiscal Agency Agreement, to furnish upon request to a holder or beneficial owner of a Security and to a prospective investor who is a Qualified Institutional Buyer designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(a)(4) if, at the time of the request neither the issuer nor the Co-issuer, as applicable, is a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12b-20 under the Exchange Act.

To the extent the Trustee delivers any annual or other periodic report to the Holders of the Notes, the Trustee will include in such report a reminder that (1) each holder (other than those holders who are not U.S. Persons and have purchased their Notes outside the United States pursuant to Regulation S) is required to be (i) a Qualified Institutional Buyer and (ii) a Qualified Purchaser, in each case that can make all of the representations in the Indenture applicable to a holder that is a U.S. Person; (2) the Notes can only be transferred (i) to a transferee that is (a) a Qualified Institutional Buyer and (b) a Qualified Purchaser that can make all of the representations in the Indenture applicable to a holder who is a U.S. Person or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 under Regulation S; and (3) the Issuers have the right to compel any holder who does not meet the transfer restrictions set forth in the Indenture to transfer its interest in the Notes to a person designated by the Issuers or sell such interests on behalf of the holder.

To the extent the Fiscal Agent delivers any annual or periodic reports to the Holders of the Income Notes, the Fiscal Agent will include in such report a reminder that (1) each holder (other than those holders who are not U.S. Persons and have purchased their Income Notes outside the United States pursuant to Regulation S) is required to be (a) a Qualified Institutional Buyer or an Accredited Investor who has a net worth of not less than U.S.$10 million and (b) a Qualified Purchaser that can make all of the representations in the Income Notes Purchase and Transfer Letter applicable to a holder who is a U.S. Person; (2) the Income Notes can only be transferred to a transferee that is (i) a Qualified Institutional Buyer or an Accredited Investor who has a net worth not less than U.S.$10 million and (ii) a Qualified Purchaser or (ii) a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 under Regulation S; and (3) the Issuer has the right to compel any holder who does not meet the transfer restrictions set forth in the Fiscal Agency Agreement to transfer its Income Notes to a person designated by the Issuer or sell such Income Notes on behalf of the holder.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825390
TABLE OF CONTENTS

SUMMARY ..................................................................................... 24
RISK FACTORS ........................................................................... 37
 Securities ................................................................................... 37
 Collateral Assets .......................................................................... 43
 Other Considerations ................................................................... 55
 DESCRIPTION OF THE SECURITIES ................................................ 60
 Status and Security ...................................................................... 61
 Interest and Distributions ............................................................. 62
 Determination of LIBOR .............................................................. 63
 Payments on Income Notes ........................................................ 64
 Principal ..................................................................................... 64
 Stated Maturity of the Income Notes ........................................... 65
 Auction ...................................................................................... 66
 Tax Redemption .......................................................................... 66
 Optional Redemption by Liquidation .......................................... 67
 Optional Redemption by Refinancing ......................................... 67
 Mandatory Redemption .............................................................. 69
 Cancellation ............................................................................... 69
 Payments ................................................................................... 70
 Priority of Payments ................................................................... 75
 Income Notes .............................................................................. 75
 The Indenture and the Fiscal Agency Agreement ........................... 77
 Fiscal Agency Agreement ............................................................ 81
 Governing Law of the Indenture, the Notes, the Fiscal Agency Agreement, the Cash Flow Swaps Agreement, the Synthetic Securities, the Dead of Covenant, the Income Notes, the Collateral Management Agreement and the Collateral Administration Agreement .................................................... 82
 Form of the Securities .................................................................. 82
 USE OF PROCEEDS ..................................................................... 83
 RATINGS OF THE NOTES .............................................................. 88
 Moody's Ratings ......................................................................... 88
 S&P Ratings ............................................................................... 89
 SECURITY FOR THE NOTES ........................................................ 90
 The Collateral Assets ................................................................... 90
 The Coverage Tests .................................................................... 93
 Disposition of CDO Securities and Removal of Reference Obligations .......................................................... 94
 Accounts .................................................................................... 99

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825391
Synthetic Securities.......................................................................................................................... 96
The Synthetic Security Counterparty............................................................................................. 102
The Default Swap Collateral........................................................................................................... 103
Reports............................................................................................................................................ 105
Cashflow Swap Agreement............................................................................................................... 106
WEIGHTED AVERAGE LIFE AND YIELD CONSIDERATIONS................................................................ 108
THE COLLATERAL MANAGER........................................................................................................ 112
General............................................................................................................................................ 112
Greyrock Capital Management LP................................................................................................. 113
Key Personnel.................................................................................................................................. 113
Collateral Management Team......................................................................................................... 113
Conflicts of Interest.......................................................................................................................... 115
THE COLLATERAL MANAGEMENT AGREEMENT............................................................................ 117
General............................................................................................................................................ 117
Compensation................................................................................................................................. 119
THE ISSUERS..................................................................................................................................... 120
General............................................................................................................................................ 120
Capitalization of the Issuer................................................................................................................ 121
Capitalization of the Co-Issuer.......................................................................................................... 121
Flow of Funds................................................................................................................................... 121
Business.......................................................................................................................................... 122
Directors........................................................................................................................................... 122
INCOME TAX CONSIDERATIONS................................................................................................. 123
United States Tax Considerations................................................................................................. 123
Tax Treatment of Issuer.................................................................................................................... 123
Tax Treatment of U.S. Holders of Notes.......................................................................................... 124
Tax Treatment of U.S. Holders of Income Notes............................................................................ 125
Tax Treatment of Non-U.S. Holders................................................................................................. 127
Information Reporting Requirements.............................................................................................. 127
Circular 230.................................................................................................................................... 128
Cayman Islands Tax Considerations.............................................................................................. 128
ERISA CONSIDERATIONS............................................................................................................. 129
Class B Notes, Class A Notes, Class B Notes and Class C Notes....................................................... 131
Class D Notes and Income Notes...................................................................................................... 131
CERTAIN LEGAL INVESTMENT CONSIDERATIONS.................................................................... 132
LISTING AND GENERAL INFORMATION...................................................................................... 133
LEGAL MATTERS............................................................................................................................. 134

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825392
| UNDERWRITING                                      | 134                  |
| INDEX OF DEFINED TERMS                           | 138                  |
| APPENDIX A                                       | Certain Definitions  | A-1                  |
| APPENDIX B                                       | Collateral Asset Descriptions and Transaction Summaries | B-1                  |
| ANNEX A-1                                        | Form of Income Notes Purchase | A-1-1                |
| And Transfer Letter                              | Form of Class D Notes Purchase | A-2-1                |
| ANNEX A-2                                        | And Transfer Letter   | A-2-1                |
| ANNEX B                                         | Part II of Graywolf Capital Management LP's Form ADV | B-1-1                |
SUMMARY

The Issuer (Tenneco I, Ltd. ("Issuer")) is an exempted company incorporated with limited liability under the laws of the Cayman Islands for the sole purpose of acquiring the Collateral Assets, Default Swap Collateral and the Eligible Investments, entering into and performing its obligations under the Collateral Management Agreement and Cashflow Swap Agreement, co-issuing the Notes and the Income Notes and engaging in certain related transactions.

The Issuer will not have any material assets other than the portfolio consisting of CDO Securities and Synthetic Securities (the Reference Obligations of which are CDO Securities) as described herein (collectively, together with Deliverable Obligations and any Default Swap Collateral that has been released from the lien of the Synthetic Security Counterparty and credited to the Collateral Account as described herein, "Collateral Assets"), the Default Swap Collateral Account, Eligible Investments and the cashflow swap agreement (the "Cashflow Swap Agreement"), the Collateral Management Agreement and certain other assets.

The Collateral Assets, the Eligible Investments and certain other assets of the Issuer will be pledged by the Issuer to the Trustee under the indenture, for the benefit of the Secured Parties, as security for, among other obligations, the Issuer's obligations under the Notes. The Default Swap Collateral Account will be pledged by the Issuer to the Trustee under the indenture for the benefit of the Synthetic Security Counterparty as security for the Issuer's obligations under the Synthetic Securities.

Tenneco I (Delaware) Corp. (the "Co-Issuer" and, together with the Issuer, the "Issuers") is a corporation formed under the laws of the State of Delaware for the sole purpose of co-issuing the Notes (other than the Class D Notes).

The Co-Issuer will not have any assets (other than U.S.$10 of equity capital) and will not pledge any assets to secure the Notes. The Co-Issuer will have no claim against the Issuer in respect of the Collateral Assets or otherwise.

The authorized share capital of the Issuer is U.S.$50,000 which consists of 10,000 ordinary shares, par value U.S.$1.00 per share, ("Issuer Ordinary Shares"), 350 of which have been issued. The Issuer Ordinary Shares will be held by Maplas Finance Limited, a licensed trust company incorporated in the Cayman Islands (the "Issuer Administrator") as the trustee pursuant to the terms of a charitable trust (the "Share Trustees") and all of the outstanding common equity of the Co-Issuer will be held by the Issuer.
The Collateral Manager

Graywolf Capital Management LP, a Delaware limited liability company ("Graywolf") or any successor thereto (the "Collateral Manager"), will perform certain monitoring functions with respect to the Collateral Assets pursuant to a collateral management agreement to be dated as of the Closing Date (the "Collateral Management Agreement") between the Issuer and Graywolf, as Collateral Manager.

Graywolf is a registered investment adviser under the United States Investment Advisers Act of 1940, as amended. See "The Collateral Manager."

Securities Offered

On the Closing Date, the Issuer and the Co-Issuer will issue U.S.$89,000,000 principal amount of Class S-1 Floating Rate Notes Due September 2011 (the "Class S-1 Notes"), U.S.$3,310,000 principal amount of Class S-2 Floating Rate Notes Due September 2011 (the "Class S-2 Notes"), and together with the Class S-1 Notes, the "Class S Notes"), U.S.$100,000,000 principal amount of Class A-1a Floating Rate Notes Due 2039 (the "Class A-1a Notes"), U.S.$200,000,000 principal amount of Class A-1b Floating Rate Notes Due 2039 (the "Class A-1b Notes"), U.S.$100,000,000 principal amount of Class A-1c Floating Rate Notes Due 2044 (the "Class A-1c Notes"), U.S.$100,000,000 principal amount of Class A-1d Floating Rate Notes Due 2044 (the "Class A-1d Notes"), and, together with the Class A-1a Notes, Class A-1b Notes and Class A-1c Notes, the "Class A-1 Notes"), U.S.$305,000,000 principal amount of Class A-2 Floating Rate Notes Due 2047 (the "Class A-2 Notes" and, together with the Class A-1 Notes, the "Class A Notes"), U.S.$107,000,000 principal amount of Class B Floating Rate Notes Due 2047 (the "Class B Notes"), and U.S.$50,000,000 principal amount of Class C Deferrable Floating Rate Notes Due 2047 (the "Class C Notes"), and the Issuer will issue U.S.$30,000,000 principal amount of Class D Deferrable Floating Rate Notes Due 2047 (the "Class D Notes" and, together with the Class C Notes, Class B Notes and Class C Notes, the "Notes") pursuant to an Indenture (the "Indenture") dated on or about March 27, 2007 among the Issuers and The Bank of New York, as Trustee and, as Securities Intermediary (the "Trustee"), and the Securities Intermediary ("Securities Intermediary," respectively). Under the Indenture, The Bank of New York will also act as principal paying agent for the Notes (the "Principal Note Paying Agent"), as registrar (the "Note Registrar"), as calculation agent (the "Note Calculation Agent"), as transfer agent (the "Note Transfer Agent") and as paying agent for the Notes (the "Note Paying Agent") and, together with the Principal Note Paying Agent, the Note Registrar, the Note Calculation Agent, the Note Transfer Agent and the Ladder and Paying Agent, the "Note Agents").

On the Closing Date, the Issuer will also issue U.S.$22,000,000 notional principal amount of Income Notes Due 2047 (the "Income Notes"), pursuant to a deed of covenant (the "Deed of Covenant") dated on or about the Closing Date, executed by...
the issuer and subject to the terms and conditions of the Income Notes (the "Terms and Conditions") appended thereto and a fiscal agency agreement (the "Fiscal Agency Agreement") dated on or about the Closing Date between the issuer and The Bank of New York, London Branch, as fiscal agent and transfer agent for the Income Notes (in such capacities, the "Fiscal Agent" and, together with the Note Agents and the Collateral Administrator, the "Agents"). Only the Notes and the Income Notes (collectively, the "Securities") are offered hereby.

The Note Paying Agent, the Principal Note Paying Agent, and any other Note paying agents appointed from time to time under the Indenture are collectively referred to as the "Note Paying Agents." The Note Paying Agents and the Fiscal Agent are collectively referred to as the "Paying Agents." The Note Transfer Agent and the Fiscal Agent are collectively referred to as the "Transfer Agents." The Indenture, the Collateral Management Agreement, the Cashflow Swap Agreement, the Collateral Administration Agreement, the Administration Agreement, the Deed of Covenant and the Fiscal Agency Agreement are collectively referred to as the "Transaction Documents."

Closing Date.......................... The Issuer will issue the Income Notes and the Issuers will issue the other Notes on or about March 27, 2007 (the "Closing Date").

Status of the Securities ............... The Notes (other than the Class D Notes) will be limited recourse obligations of the Issuer and the Class D Notes and the Income Notes will be limited recourse obligations of the Issuer. The Income Notes will not be secured obligations of the Issuer and will only be entitled to receive amounts available for distribution on any Payment Date after payment of all amounts payable prior thereto under the Priority of Payments. The Class S-1 Notes will be senior in right of payment on each Payment Date to the Class S-2 Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; the Class S-2 Notes will be senior in right of payment on each Payment Date to the Class A-2 Notes (provided, that payments of interest on the Class S-2 Notes and the Class A Notes will be paid pro rata), the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; the Class A-2 Notes will be senior in right of payment on each Payment Date to the Class A-2 Notes (provided, that payments of interest on the Class A-2 Notes will be paid pro rata), the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; the Class A-1 Notes will be senior in right of payment on each Payment Date to the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; the Class B Notes will be senior in right of payment on each Payment Date to the Class C Notes, the Class D Notes and the Income Notes; the Class C Notes will be senior in right of payment on each Payment Date to the Class D Notes and the Income Notes.
Use of Proceeds

The net proceeds associated with the offering of the Securities issued on the Closing Date are expected to equal approximately U.S.$1,005,119,000. The net proceeds will be used by the Issuer to purchase on the Closing Date or within 90 days thereafter pursuant to agreements to purchase entered into on or prior to the Closing Date, the portfolio of Collateral Assets described herein having an aggregate Principal Balance of approximately U.S.$1,000,000,000 and to purchase the Default Swap Collateral. See "Security for the Notes—Disposition of Collateral Assets" and "Use of Proceeds."

The Collateral Assets

The Collateral Assets (as in the case of the Synthetic Securities, the Reference Obligations related thereto) are initially expected to be comprised of 55 issues of CDO Securities. Approximately 93.00% of the Collateral Assets (by Principal Balance) on the Closing Date are expected to be Synthetic Securities. All of the Reference Obligations referenced in the Synthetic Securities are expected to be CDO Securities. See "Security for the Notes—The Collateral Assets." Certain summary information about the Collateral Assets is set forth in Appendix B to this Offering Circular.

Synthetic Security Counterparty

The Initial Synthetic Security Counterparty under the Synthetic Securities is Goldman Sachs International. The swap guarantor with respect to the Initial Synthetic Securities is The Goldman Sachs Group, Inc., a Delaware corporation, which is an affiliate of the Synthetic Security Counterparty.

Synthetic Securities

Each of the Synthetic Securities to be entered into by the Issuer and the Synthetic Security Counterparty on or before the Closing Date will be structured as "pay-as-you-go" credit default swaps related to single Reference Obligations. Pursuant to such Synthetic Security, the Issuer will receive the Fixed Amount in exchange for providing credit protection to the Synthetic Security Counterparty in connection with certain Credit Events and Floating Amount Events that may occur with respect to the related Reference Obligations. To support any payments which may become due by the Issuer to the Synthetic Security Counterparty under the Synthetic Securities, the Issuer will be required to purchase Default Swap Collateral with a face value equal to the Initial Aggregate Reference Obligation, National Amount of the Synthetic Securities and pledge to the Synthetic Security Counterparty a first priority security interest in such Default Swap Collateral. It is expected that all of the Reference Obligations referenced under the Synthetic Securities will be CDO Securities. For a detailed description of the Synthetic Securities, see "Security for the Notes—Synthetic Securities."
The Notes will accrue interest from the Closing Date and
such interest will be payable on the 3rd day of March, June,
September and December of each year, or if any such date is
not a Business Day, the immediately following Business Day
(each such date, a "Payment Date") commencing on
September 4, 2007. Payments on the Income Notes will be
payable in arrears on each Payment Date, commencing on
September 4, 2007. All payments on the Securities will be
made from Proceeds in accordance with the Priority of
Payments.

The Class 5-1 Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class 5-1 Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 0.20%.

The Class 5-2 Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class 5-2 Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 0.35%.

The Class A-1e Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class A-1e Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 0.55%.

The Class A-1b Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class A-1b Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 0.50%.

The Class A-1c Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class A-1c Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 0.60%.

The Class A-1d Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class A-1d Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 1.30%.

The Class A-2 Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class A-2 Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 0.90%.

The Class B Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class B Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 1.40%.

The Class C Notes will bear interest during each Interest
Accrual Period at a per annum rate (the "Class C Note
Interest Rate") equal to LIBOR for such Interest Accrual
Period plus 4.00%.
The Class D Notes will bear interest during each Interest Accrual Period at a per annum rate (the "Class D Note Interest Rate") equal to LIBOR for such Interest Accrual Period plus 10.00%.

The Class S-1 Note Interest Rate, the Class S-2 Note Interest Rate, the Class A-1a Note Interest Rate, the Class A-1b Note Interest Rate, the Class A-1d Note Interest Rate, the Class A-2 Note Interest Rate, the Class B Note Interest Rate, the Class C Note Interest Rate and the Class D Note Interest Rate are collectively referred to herein as the "Note Interest Rates."

To the extent interest that is due is not paid on the Class C Notes on any Payment Date ("Class C Deferred Interest"), such unpaid amounts will be added to the principal amount of the Class C Notes, and shall accrue interest at the Class C Note Interest Rate to the extent lawful and enforceable. So long as any Class S Notes, Class A Notes or Class B Notes are outstanding, the failure to pay any interest on the Class C Notes on any Payment Date will not be an Event of Default under the Indenture. To the extent interest that is due is not paid on the Class D Notes on any Payment Date ("Class D Deferred Interest"), such unpaid amounts will be added to the principal amount of the Class D Notes, and shall accrue interest at the Class D Note Interest Rate to the extent lawful and enforceable. So long as any Class B Notes, Class A Notes, Class B Notes or Class C Notes are outstanding, the failure to pay any interest on the Class D Notes on any Payment Date will not be an Event of Default under the Indenture.

See "Description of the Securities — Interest and Distributions" and "—Priority of Payments."

LIBOR for the first Interest Accrual Period with respect to each Class of Notes will be determined as of the second Business Day preceding the Closing Date. Calculations of interest on each Class of the Notes will be made on the basis of a 360-day year and the actual number of days in each Interest Accrual Period.

The "Interest Accrual Period" with respect to the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and any Payment Date, is the period commencing on and including the immediately preceding Payment Date (or the Closing Date in the case of the first Interest Accrual Period) and ending on and including the day immediately preceding such Payment Date.

The Holders of the Income Notes will be entitled to receive, on each Payment Date, all cash remaining after the payment of all other amounts required to be paid in accordance with the Priority of Payments.

Confidential Treatment Requested by Goldman Sachs
Principal Payments

The Notes (other than the Class S Notes and the Class A-1 Notes) and the Income Notes will mature on the Payment Date in December 2047 (such date the "Stated Maturity" with respect to each Class of Notes (other than the Class S Notes and the Class A-1 Notes) and Income Notes), the Class S Notes will mature on the Payment Date in September 2011 (the "Stated Maturity" with respect to the Class S Notes), the Class A-1c Notes and the Class A-1b Notes will mature on the Payment Date in December 2039 (the "Stated Maturity" with respect to the Class A-1a Notes and the Class A-1b Notes) and the Class A-1c Notes and the Class A-1d Notes will mature on the Payment Date in September 2044 (the "Stated Maturity" with respect to the Class A-1c Notes and the Class A-1d Notes) unless redeemed or retired prior thereto. The average life of the Notes (other than the Class S Notes) and the duration of the Income Notes is expected to be substantially shorter than the number of years from issuance until Stated Maturity for each Class of Notes and the Income Notes. See "Description of the Securities—Principal" and "Risk Factors—Securities—Average Lives, Duration and Prepayment Considerations."

Principal will be payable on the Class S-1 Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in December 2007 in an amount equal to the Class S-1 Notes Amortizing Principal Amount with respect to such Payment Date and, if an Event of Default or Tax Event has occurred and is continuing or an Optional Redemption by Liquidation or successful Auction has occurred and the Collateral is being liquidated pursuant to the terms of the Indenture, the Class S-1 Notes will be paid in full prior to any distributions to any other Securities. Principal will be payable on the Class S-2 Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in December 2007 in an amount equal to the Class S-2 Notes Amortizing Principal Amount with respect to such Payment Date and, if an Event of Default or Tax Event has occurred and is continuing or an Optional Redemption by Liquidation or successful Auction has occurred and the Collateral is being liquidated pursuant to the terms of the Indenture, the Class S-2 Notes will be paid in full prior to any distributions to any other Securities (other than the Class S-1 Notes and the Class A-1 Notes). The Class S-2 Notes are subject to mandatory redemption if the Class A-1B Overcollateralization Test is not satisfied on any date of determination. "Shifting principle" will be payable on the Notes (other than the Class S Notes) in accordance with clause (b) of the Priority of Payments on each Payment Date in accordance with the Priority of Payments.

As a result of the Priority of Payments, notwithstanding the subordination of the Notes described under "Status of the Securities" above, the Class S-2 Notes may be entitled to receive certain payments of principal while the Class S-1 Notes and the Class A-1 Notes are outstanding, the Class A-
Footnote Exhibits - Page 5490

1 Notes may be entitled to receive certain payments of principal while the Class S Notes are outstanding, the Class A-2 Notes may be entitled to receive certain payments of principal while the Class S Notes and the Class A-1 Notes are outstanding, the Class B Notes may be entitled to receive certain payments of principal while the Class S Notes and the Class A Notes are outstanding, the Class C Notes may be entitled to receive certain payments of principal while the Class S Notes, the Class A Notes and the Class B Notes are outstanding and the Class D Notes may be entitled to receive certain payments of principal while the Class S Notes, the Class A Notes, the Class B Notes and the Class C Notes are outstanding. In addition, the Income Notes may be entitled to receive certain payments while the Notes are outstanding. See "Description of the Securities—Priority of Payments."

In addition, to the extent funds are available therefor in accordance with the Priority of Payments, the Notes (other than the Class S-1 Notes) will be subject to mandatory redemption on any Payment Date if the Coverage Tests are not satisfied as described herein. See "Description of the Securities—Principal" and "—Mandatory Redemption."

**Tax Redemption**

Subject to certain conditions described herein, the Notes will be redeemed from Liquidation Proceeds, in whole but not in part, on any Payment Date upon the occurrence of a Tax Event, at the written direction of, or with the written consent of, Holders of at least 66 2/3% of the aggregate outstanding nominal principal amount of the affected Income Notes or Holders of at least a Majority of any Class of Notes which, as a result of the occurrence of such Tax Event, have not received 100% of the aggregate amount of principal and interest or other amounts due and payable to such Holders (such redemption, a "Tax Redemption"). No such Tax Redemption will occur unless the expected Liquidation Proceeds equal or exceed the Total Redemption Amount. Upon the occurrence of a Tax Redemption, the Income Notes will be simultaneously redeemed.

With respect to a Tax Redemption as described above, the Notes will be redeemed at their Redemption Prices, respectively, as described herein. The amount payable as the final payment to the Income Notes following any Tax Redemption will be the Liquidation Proceeds remaining after the payment of the Total Redemption Amount in accordance with the Priority of Payments.

See "Description of the Securities—Tax Redemption."

**Auction**

Sixty days prior to the Payment Date occurring in September of each year (the "Auction Date"), commencing on the September 2015 Payment Date, the Collateral Manager shall take steps to conduct an auction (the "Auction") of the Collateral in accordance with the procedures specified in the Indenture. If the Collateral Manager receives one or more bids from Eligible Bidders not later than five Business Days prior to the Auction Date equal to or greater than the
Optional Redemption by Liquidation

The Notes may be redeemed by the Issuers from Liquidation Proceeds, in whole but not in part, on any Payment Date on or after the Payment Date occurring in March 2010 (the "Optional Redemption Date"), at the written direction of, or with the written consent of the Holders of at least a Majority of the Income Notes (an "Optional Redemption" or an "Optional Redemption by Liquidation"). If the Holders of the Income Notes so elect to cause an Optional Redemption by Liquidation, the Income Notes will also be redeemed in full.

In the event of an Optional Redemption by Liquidation, the Notes will be redeemed at their Redemption Prices as described herein.

No Securities shall be redeemed pursuant to an Optional Redemption by Liquidation and a final payment to the Income Notes shall not be made unless the Collateral Manager furnish certain assurances that the Total Redemption Amount will be available for distribution on the related Optional Redemption Date.

See "Description of the Securities—Optional Redemption by Liquidation."

Optional Redemption by Refinancing

Any Class or Classes of Notes may be redeemed by the Issuers from the net cash proceeds (the "Refinancing Proceeds") of a loan, credit or similar facility or an issuance of replacement notes, from or to one or more financial institutions or purchasers, in whole but not in part, on any Payment Date on or after the Optional Redemption Date, at the written direction of, or with the written consent of the Holders of at least a Majority of the Income Notes (an "Optional Redemption" or an "Optional Redemption by Refinancing") subject to the satisfaction of the Rating Agency Condition (other than with respect to the Notes being redeemed) and the other restrictions described herein.

In the event of an Optional Redemption by Refinancing, the Class or Classes of Notes subject to such redemption will be redeemed at their Redemption Prices as described herein.
If the Holders of the Income Notes so elect to cause an Optional Redemption by refinancing, the Income Notes will not be redeemed in full and will remain outstanding.

See “Description of the Notes and the Income Notes—Optional Redemption by Refinancing.”

Mandatory Redemption

On any Payment Date on which the Class A/B Overcollateralization Test, the Class C Overcollateralization Test or the Class D Overcollateralization Test is not satisfied as of the preceding Determination Date, certain of the Notes (other than the Class S-1 Notes) will be subject to mandatory redemption in accordance with the Priority of Payments, until the applicable Notes have been paid in full (a “Mandatory Redemption”). The Collateral Manager is not permitted to sell Collateral Assets to generate additional Proceeds to be applied to redeem the Notes except to the extent such Collateral Assets may, at the discretion of the Collateral Manager, be otherwise sold as Credit Risk Obligations, equity securities or Defaulted Obligations. The Class S-1 Notes and the Income Notes are not subject to mandatory redemption as a result of the failure of any Coverage Test. See “Description of the Securities—Mandatory Redemption” and “—Priority of Payments.”

Security for the Notes

Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit and security of the Trustee, for itself and on behalf of the Noteholders, the Fiscal Agent, the Collateral Administrator, the Collateral Manager, the Cashflow Swap Counterparty and the Synthetic Security Counterparty (together the “Secured Parties”), to secure the Issuer’s obligations under the Notes, the Indenture, the Cashflow Swap Agreement, the Collateral Management Agreement and the Synthetic Securities (the “Secured Obligations”), a first priority security interest in the Collateral. The Income Notes will not be secured.

A report will be made available to the Holders of the Notes and Holders of the Income Notes and will provide information on the Collateral Assets and payments to be made in accordance with the Priority of Payments (each, a “Payment Report”) beginning in September 2007. See “Security for the Notes—Reports.”

Coverage Tests

The following table identifies the Coverage Tests and the value at which such tests will be satisfied. See “Security for the Notes—The Coverage Tests.”

<table>
<thead>
<tr>
<th>Coverage Test</th>
<th>Value at Which Test is Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A/B Overcollateralization Test</td>
<td></td>
</tr>
<tr>
<td>Class A/B Overcollateralization Ratio</td>
<td>Equal to or greater than 105.4%</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825403
Footnote Exhibits - Page 5493

<table>
<thead>
<tr>
<th>Class</th>
<th>Overcollateralization Test</th>
<th>Class C Overcollateralization Ratio is equal to or greater than 103.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class D Overcollateralization Test</td>
<td>Class D Overcollateralization Ratio is equal to or greater than 101.1%</td>
<td></td>
</tr>
</tbody>
</table>

On the Closing Date, the Class A/B Overcollateralization Ratio is expected to be 106.0%, the Class C Overcollateralization Ratio is expected to be 105.9% and the Class D Overcollateralization Ratio is expected to be 102.2%.

The Offering

The Securities are being offered to non-U.S. Persons in offshore transactions in reliance on Regulation S, and in the United States to persons who are Qualified Institutional Buyers purchasing in reliance on the exemption from registration under Rule 144A, or, with respect to Income Notes only, Accredited Investors purchasing in transactions exempt from registration under the Securities Act. Each purchaser who is a U.S. Person must also be a Qualified Purchaser. Each Accredited Investor must have a net worth of at least U.S.$10 million. See “Description of the Securities—Form of the Securities,” “Underwriting” and “Notice to Investors.”

Minimum Denominations

The Notes will be issued in minimum denominations of U.S.$250,000 (in the case of the Rule 144A Notes) and U.S.$1,000,000 (in the case of the Regulation S Notes) and integral multiples of U.S.$1 in excess thereof for each Class of Notes. The Income Notes will be issued in minimum denominations of U.S.$100,000 and integral multiples of U.S.$1 in excess thereof.

Form of the Securities

Each Class of Notes sold in offshore transactions in reliance on Regulation S will initially be represented by one or more temporary global notes (each, a “Temporary Regulation S Global Note”). Each Temporary Regulation S Global Note will be deposited on the Closing Date with The Bank of New York as custodian for, and registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), for the respective accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”), and Clearstream Banking, société anonyme (“Clearstream”). Beneficial interests in a Temporary Regulation S Global Note may be held only through Euroclear or Clearstream and may not be held at any time by a U.S. Person (“U.S. Person”) (as such term is defined in Regulation S under the Securities Act).

Each Class of Rule 144A Notes will be issued in the form of one or more global notes in fully registered form (the “Rule 144A Global Notes”) and, together with the Temporary Regulation S Global Notes and the Regulation S Global Notes, the “Global Notes”), deposited with The Bank of New York as custodian for, and registered in the name of Cede & Co. as nominee of DTC, which will credit the account of each of its participants with the principal amount of Notes being

34

Confidential Treatment Requested by Goldman Sachs
purchased by or through such participant. Beneficial interests in the Rule 144A Global Notes will be shown on, and transfers thereof will be affected only through, records maintained by DTC and its direct and indirect participants.

The Class D Notes (other than the Regulation S Class D Notes) will be evidenced by one or more notes in definitive, fully registered form, registered in the name of the owner thereof (each, a "Definitive Note").

Beneficial interests in the Global Notes and the Definitive Notes may not be transferred except in compliance with the transfer restrictions described herein. See "Description of the Securities—Form of the Securities" and "Notes to Investors."

The Income Notes (other than the Regulation S Income Notes) will be evidenced by one or more notes in definitive, fully registered form, registered in the name of the owner thereof (each, an "Income Note Certificate"). The Regulation S Income Notes will be evidenced by a global note in fully registered form. The Income Notes may not be transferred except in compliance with the transfer restrictions described herein. See "Description of the Securities—Form of the Securities" and "Notes to Investors."

**Governing Law**

The Indenture, the Notes, the Cashflow Swap Agreement, the Synthetic Securities, the Collateral Administration Agreement and the Collateral Management Agreement will be governed by the laws of the State of New York. The Deed of Covenant, including the Terms and Conditions of the Income Notes and the Income Notes, the Fiscal Agency Agreement will be governed by the laws of the Cayman Islands.

**Listing and Trading**

There is currently no market for the Notes or Income Notes and there can be no assurance that such a market will develop. See "Risk Factors—Securities—Limited Liquidity and Restrictions on Transfer." Application may be made to admit the Securities on a stock exchange of the Issuer's choice, if practicable. There can be no assurance that such admission will be sought, granted or maintained. See "Listing and General Information."

**Ratings**

It is a condition of the issuance of the Securities that the Class B Notes, the Class A-1 Notes and the Class A-2 Notes be rated "AA" by Moody's and "A1" by S&P, that the Class B Notes be rated at least "A1" by Moody's and at least "AA" by S&P, that the Class C Notes be rated at least "X" by Moody's and at least "X" by S&P and that the Class D Notes be rated at least "BB" by Moody's and at least "BBB" by S&P. The Income Notes will not be rated. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. See "Ratings of the Notes."

**Tax Status**

See "Income Tax Considerations."

**ERISA Considerations**

See "ERISA Considerations."

Confidential Treatment Requested by Goldman Sachs
RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider, in addition to the matters set forth elsewhere in this Offering Circular, the following factors:

Securities

Limited Liquidity and Restrictions on Transfer. There is currently no market for the Securities. Although the initial purchaser has advised the issuers that it intends to make a market in the Securities, the initial purchaser is not obligated to do so, and any such market making with respect to the Securities may be discontinued at any time without notice. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Holders of the Notes with liquidity of investment or that it will continue for the life of such Notes and consequently a purchaser must be prepared to hold the Notes until maturity. Consequently, a purchaser must be prepared to hold the Notes for an indefinite period of time or until Stated Maturity. Since it is likely that there will never be a secondary market for the Income Notes, a purchaser must be prepared to hold its Income Notes until the Stated Maturity.

In addition, no sale, assignment, participation, pledge or transfer of the Securities may be effected if, among other things, it would require any of the Issuer, the Co-Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Securities will not be registered under the Securities Act or any state securities laws or the laws of any other jurisdiction, and the Issuer has no plans, and is under no obligation, to register the Securities under the Securities Act or any state securities laws or under the laws of any other jurisdiction. The Securities are subject to certain transfer restrictions and can be transferred only to certain transferees as described herein under "Description of the Securities—Form of the Securities" and "Notice to Investors." Such restrictions on the transfer of the Securities may further limit their liquidity. See "Description of the Securities—Form of the Securities." Application may be made to admit the Securities on a stock exchange of the Issuer's choice, if practicable. There can be no assurance that such admission will be sought, granted or maintained.

Limited Recourse Obligations. The Income Notes and the Class D Notes will be limited recourse obligations of the Issuer and the Notes (other than the Class D Notes) will be limited recourse obligations of the Issuers payable solely from the Collateral pledged by the Issuer to secure the Notes. The Income Notes are denominated in debt of the Issuer and are not secured by the Collateral Assets or the other collateral securing the Notes. None of the Collateral Manager, the Holders of the Notes, the Holders of the Income Notes, the Initial Purchaser, the Trustee, the Issuer Administrator, the Agents, the Cashflow Swap Counterparty or any affiliates of any of the foregoing or the Issuers' affiliates or any other person or entity will be obligated to make payments on the Notes or the Income Notes. Consequently, holders of the Notes and income notes must rely solely on distributions on the Collateral pledged to secure the Notes for the payment of principal, interest and premium, if any, thereon. If distributions on the Collateral are insufficient to make payments on the Notes and Income Notes, no other assets (and, in particular, no assets of the Collateral Manager, the Holders of the Notes, the Holders of the Income Notes, the Initial Purchaser, the Trustee, the Issuer Administrator, the Agents, the Cashflow Swap Counterparty or any affiliates of any of the foregoing) will be available for payment of the deficiency, and following the release of the Collateral pledged to secure the Notes, the obligations of the Issuers to pay such deficiency shall be extinguished.

Subordination of the Securities. Payments of principal on the Class S-1 Notes will be senior to payments of principal of the Class S-2 Notes, the Class A-1 Notes, the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on each Payment Date. Payments of principal on the Class S-2 Notes will be senior to payments of principal of the Class A-2 Notes, the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on each Payment Date. Payments of principal on the Class A-1 Notes will be senior to payments of principal of the Class A-2 Notes, the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on each Payment Date. Payments of principal on the Class S-2 Notes and the Class A-1 Notes will be senior to payments of principal of the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on each Payment Date. Payments of principal on the Class S-1 Notes will be senior to payments of principal of the Class A-1 Notes, the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on each Payment Date.
Notes will be paid as described in the Priority of Payments. Payments of principal on the Class A-2 Notes will be senior to payments of principal of the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on each Payment Date. Payments of principal on the Class B Notes will be senior to payments of principal on the Class C Notes and the Class D Notes and senior to payments on the Income Notes on each Payment Date. Payments of principal on the Class D Notes due on any Payment Date will be senior to payments on the Income Notes on such Payment Date. As a result of the Priority of Payments, notwithstanding the subordination of the Notes described under “Description of the Securities—Status and Security,” the Class S-2 Notes will be entitled to receive certain payments of principal while the Class S-1 Notes are outstanding, the Class A-1 Notes will be entitled to receive certain payments of principal while the Class S Notes are outstanding, the Class B Notes will be entitled to receive certain payments of principal while the Class C Notes are outstanding, the Class C Notes will be entitled to receive certain payments of principal while the Class S Notes are outstanding, the Class A Notes and the Class B Notes are outstanding and the Class D Notes will be entitled to receive certain payments of principal while the Class S Notes, the Class A Notes, the Class B Notes and the Class C Notes are outstanding. In addition, the Income Notes will be entitled to receive certain payments while the Notes are outstanding. See “Description of the Securities—Priority of Payments.” To the extent that any losses are incurred by the Issuer in respect of any Collateral, such losses will be borne first by Holders of the Income Notes; then, by Holders of the Class D Notes; then, by Holders of the Class A Notes; then, by Holders of the Class S-1 Notes; then, by Holders of the Class A-1b Notes; then, by Holders of the Class A-1a Notes and finally, by Holders of the Class S-1 Notes.

Payments of interest on the Class S-1 Notes due on any Payment Date will be senior to payments of interest on the Class S-2 Notes, the Class A-1 Notes, Class A-2 Notes, Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on such Payment Date. Payments of interest on the Class S-2 Notes due on any Payment Date will be paid pro rata with payments of interest on the Class A-1 Notes and the Class A-2 Notes and will be senior to payments of interest on the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on such Payment Date. Payments of interest on the Class A-1 Notes due on any Payment Date will be paid pro rata with payments of interest on the Class S-2 Notes and the Class A-2 Notes and will be senior to payments of interest on the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on such Payment Date. Payments of interest on the Class A-2 Notes due on any Payment Date will be senior to payments of interest on the Class S-2 Notes, the Class A-1 Notes and the Class B Notes, Class C Notes and Class D Notes and senior to payments on the Income Notes on such Payment Date. Payments of interest on the Class B Notes due on any Payment Date will be senior to payments of interest on the Class C Notes and the Class D Notes and senior to payments on the Income Notes on such Payment Date. Payments of interest on the Class C Notes due on any Payment Date will be senior to payments of interest on the Class D Notes and senior to payments on the Income Notes on such Payment Date. Payments of interest on the Class D Notes due on any Payment Date will be senior to payments on the Income Notes on such Payment Date. See “Description of the Securities.”

On any Payment Date on which certain conditions are satisfied and funds are available therefor, the “shifting principal” method in clause (xii) of the Priority of Payments may permit Holders of the Class A Notes, the Class B Notes, Class C Notes and Class D Notes to receive payments of principal in accordance with the Priority of Payments while more senior Classes of Notes remain outstanding and may result in the distributions of Principal Proceeds to the Holders of the Income Notes. In the event funds are available in accordance with the Priority of Payments, while the Notes are outstanding, amounts properly paid pursuant to the Priority of Payments to a junior Class of Notes or to the Income Notes will not be recoverable in the event of a subsequent shortfall in the amount required to pay a more senior Class of Notes.
Holders of the Controlling Class may not be able to effect a liquidation of the Collateral in an Event of Default. Holders of other Classes of Notes and the Income Notes may be Adversely Affected by Actions of the Controlling Class. If an Event of Default occurs and is continuing, a Majority of the Controlling Class will be entitled to determine the remedies to be exercised under the Indenture; however, the Majority of the Controlling Class will not be able to direct a sale or liquidation of the Collateral unless, among other things, the Trustee determines that the anticipated proceeds of such sale or liquidation (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to pay in full the sum of (A) the principal (including any Class C Deferred Interest and Class D Deferred Interest) and accrued interest (including all Defeased Interest, and interest thereon) and any other amounts due with respect to all the outstanding Notes, (B) unpaid Administrative Expenses, (C) all amounts payable by the Issuer to the Synthetic Security Counterparty or an assignee of a Synthetic Security (other than Defaulted Synthetic Security Termination Payments) net of all amounts payable to the Issuer by any Synthetic Security Counterparty or an assignee of a Synthetic Security, (D) all amounts payable by the Issuer to any Cashflow Swap Counterparty (including any applicable termination payments other than Defaulted Cashflow Swap Termination Payments) net of all amounts payable to the Issuer by any Cashflow Swap Counterparty, (E) accrued and unpaid Deferred Structuring Expenses, (F) accrued and unpaid Collateral Management Fees, including any Cumulative Deferred Management Fees and (D) all other items in the Priority of Payments ranking prior to payments on the Notes. There can be no assurance that proceeds of a sale and liquidation, together with all other available funds, will be sufficient to pay in full such amount. In addition, even if the anticipated proceeds of such sale or liquidation would not be sufficient to pay in full such amount, the Holders of a Supermajority of the Controlling Class and any Cashflow Swap Counterparty (unless any such Cashflow Swap Counterparty will be paid in full the amounts due to it other than any Defaulted Cashflow Swap Termination Payments at the time of distribution of the proceeds of any sale or liquidation of the Collateral) may direct the sale and liquidation of the Collateral.

Remedies pursued by the Holders of the Class S-1 Notes and the Class A-1 Notes could be adverse to the interests of the Holders of the Class S-2 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes. After the Class S-1 Notes and the Class A-1 Notes are no longer outstanding, the Holders of the Class S-2 Notes and Class A-2 Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. After the Class S Notes and the Class A Notes are no longer outstanding, the Holders of the Class B Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. After the Class S Notes, the Class A Notes and the Class B Notes are no longer outstanding, the Holders of the Class C Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. After the Class S Notes, the Class A Notes, the Class B Notes and the Class C Notes are no longer outstanding, the Holders of the Class D Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. See "Description of the Securities—The Indenture and the Fiscal Agency Agreement—Events of Default.”

CDO Securities May Defend Interest. Certain of the CDO Securities and Synthetic Securities have Reference Obligations of which are CDO Securities as of the Closing Date consists of or references PIK Bonds. While the Cashflow Swap Counterparty will make advances to the Issuer to cover certain Cashflow Swap Shortfalls Amounts that could result in a shortfall of current interest payments on the Class S Notes, the Class A Notes and the Class B Notes, the Issuer may have insufficient funds as a result of such deferrals or payments "in-kind" to make payments on the Notes or distributions in respect of the Income Notes.

Status of the Income Notes. The Income Notes are unsecured debt obligations of the Issuer and are not secured by the Collateral Assets or the other Collateral securing the Notes. As such, the Holders of the Income Notes will rank behind the Holders of the Notes and any other secured creditors as set forth in the Indenture and pari passu with the unsecured creditors, whether secured or unsecured and known or unknown, of the Issuer. No person or entity other than the Issuer will be required to make any payments on the Income Notes. Except with respect to the obligations of the Issuer to make payments pursuant to the Priority of Payments (and outside of the Priority of Payments with respect to the Synthetic
Security Counterparty), the Issuer does not expect to have any creditors. The funds available to be paid to the Fiscal Agent for the benefit of the Holders of the Income Notes will depend in part on the weighted average of the Note Interest Rates.

Amounts on deposit in the Income Note Payment Account (as defined herein) will not be available to pay amounts due to the Holders of the Notes, the Trustee, the Collateral Manager, the Cashflow Swap Counterparty, the Synthetic Security Counterparty or any other creditor of the Issuer whose claim is limited to recourse to the Collateral. However, amounts on deposit in the Income Note Payment Account (as defined herein) may be subject to the claims of creditors of the Issuer that have not contrarily limited their recourse to the Collateral. The indenture and the Fiscal Agency Agreement will limit the Issuer's activities to the issuance and sale of the Securities, the acquisition and disposition of the Collateral Assets, the acquisition and disposition of, and investment and reinvestment in, the Eligible Investments and the other activities related to the issuance and the sale of the Securities described under "The Issuer". The Issuer does not expect to have any significant full recourse liabilities that would be payable out of amounts on deposit in the Income Note Payment Account (as defined herein).

Leveraged Investment. The Income Notes represent a leveraged investment in the underlying Collateral Assets. The use of leverage generally magnifies an investor's opportunities for gain and risk of loss. Therefore, changes in the market value of the Income Notes can be expected to be greater than changes in the market value of the underlying assets included in the Collateral Assets, which are also subject to credit, liquidity and interest rate risk.

Optional Redemption and Tax Redemption of Securities. Subject to the satisfaction of certain conditions, the Securities may be optionally redeemed in whole and not in part (i) on any Payment Date on or after the March 2010 Payment Date in connection with an Optional Redemption by Liquidation at the written direction of, or with the written consent of, Holders of at least a Majority of the Income Notes or (ii) on any Payment Date upon the occurrence of a Tax Event, at the written direction of, or with the written consent of, Holders of at least a Majority of any Class of Notes, on the written direction of, or with the written consent of, Holders of at least a Majority of any Class of Notes, on or after the March 2010 Payment Date or on or after the March 2010 Payment Date in connection with an Optional Redemption by Reinvestment at the written direction of, or with the written consent of, Holders of at least a Majority of the Income Notes. If an Optional Redemption by Liquidation or Tax Redemption occurs, the Income Notes will be redeemed simultaneously.

There can be no assurance that after payment of the Redemption Prices for the Securities and all other amounts payable in accordance with the Priority of Payments, any additional Proceeds will remain to distribute to the Holders of the Income Notes upon redemption. See "Description of the Securities". An Optional Redemption by Liquidation or Tax Redemption of the Securities could require the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the Collateral Assets sold. In addition, the redemption procedures in the Indenture may require the Collateral Manager to aggregate securities to be sold together in one block transaction, thereby possibly resulting in a lower aggregate realized value for the Collateral Assets sold. In any event, there can be no assurance that the market value of the Collateral Assets will be sufficient for the Holders of the Income Notes to direct an Optional Redemption or, in the case of a Tax Redemption, for the Holders of the affected Class of Notes or Income Notes to direct a Tax Redemption. A decrease in the market value of the Collateral Assets would adversely affect the proceeds that could be obtained upon a sale of the Collateral Assets; consequently, the conditions precedent to the exercise of an Optional Redemption by Liquidation or a Tax Redemption may not be met. The interests of the Holders of the Income Notes in determining whether to elect to effect an Optional Redemption and the interests of the Holders of the affected Class of Notes and the Income Notes with respect to a Tax Redemption may be different from the interests of the Holders of the other Classes of Securities in such respect. The Holders of the Securities also may not be able to invest the proceeds of the redemption of the Securities in one or more investments providing a return.
equal to or greater than the holders of the Securities expected to obtain from their investment in the Securities. An Optional Redemption or a Tax Redemption will shorten the average lives of the Securities and may reduce the yield to maturity of the Notes.

Refinancing. Subject to the satisfaction of certain conditions, the Issuer (at the direction of or with the written consent of the holders of a Majority of the Income Notes) may elect to affect an Optional Redemption through an Optional Redemption by Refinancing. Among other reasons, the holders of the Income Notes may elect to direct the Issuer to effect an Optional Redemption by Refinancing if interest rates on investments similar to any Class of Notes fall below current levels or if such holders otherwise expect the Issuer to be able to achieve improved pricing. If exercised, such Optional Redemption by Refinancing would result in each such Class of Notes being redeemed at the Redemption Price in respect thereof at a time when they may be trading in the market at a premium and when other investments bearing the same rate of interest relative to the level of risk assumed may be difficult or expensive to acquire. In addition, if any Class or Classes of Notes are redeemed in connection with an Optional Redemption by Refinancing in which additional notes are issued or borrowings under secured loans are made, the income notes will be, and certain Classes of Notes may be, subordinated to payments on such additional notes or secured loans. The additional notes issued, or secured loans obtained, as the case may be, in connection with an Optional Redemption by Refinancing would have such terms and priorities as are negotiated at the time and that are set forth in a supplemental indenture.

Auction. There can be no assurance that an Auction of the Collateral on any Auction Date will be successful. The failure of an Auction may lengthen the expected average lives of the Notes and the duration of the Income Notes, may reduce the yield to maturity of the Notes and may adversely affect the yield on the Income Notes. A successful Auction of the Collateral is not required to result in any proceeds for distribution to the holders of the Income Notes. Accordingly, in the event of an Auction, holders of Income Notes may have their Income Notes redeemed without receiving any additional distributions on such Income Notes. In addition, the success of an Auction will shorten the average lives of the Notes and the duration of the Securities and may reduce the yield to maturity of the Notes.

Mandatory Redemption of Notes. If the Class A/B Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date, Proceeds that otherwise might have been distributed to the holders of the Class C Notes, the Class D Notes and the Income Notes will be used to redeem, first, the Class A-1 Notes until paid in full (in accordance with the Class A-1 Note Payment Sequence), second, the Class S-2 Notes until paid in full, third, the Class A-2 Notes until paid in full and fourth, the Class B Notes until paid in full. If the Class C Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date, Proceeds that otherwise might have been distributed to the holders of the Class C Notes and/or the holders of the Income Notes will be used (a) to redeem, from Principal Proceeds only, pro rata, the Class A-1 Notes until paid in full, provided, however, that if the net Outstanding Portfolio Collateral Balance is less than $500,000,000, then such amount shall be paid first, to the payment of principal of all outstanding Class A-1 Notes in accordance with the Class A-1 Note Payment Sequence until the Class A-1 Notes are paid in full, second, to the payment of principal of all outstanding Class A-2 Notes until the Class A-2 Notes are paid in full, third, to the payment of principal of all outstanding Class B Notes until the Class B Notes are paid in full, and fourth, to the payment of principal of all outstanding Class C Notes, until the Class C Notes are paid in full and (b) to pay, with any remaining Proceeds, the principal of all outstanding Class C Notes until the Class C Notes are paid in full. If the Class D Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date, Proceeds that otherwise might have been distributed to the holders of the Class C Notes and the Income Notes will be used to redeem, from Principal Proceeds only, the Class C Notes until paid in full. The foregoing redemptions could result in an elimination, deferral or reduction in the amounts available to make payments to the holders of the Class C Notes, the Class D Notes and the Income Notes. See “Security for the Notes—The Coverage Tests.” Any such redemptions will shorten the average life of the redeemed Notes, may lower the yield to maturity of the Notes and may adversely affect the yield on the Income Notes.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825411
Collateral Accumulation. In anticipation of the issuance of the Securities, an affiliate of Goldman Sachs & Co. has agreed to “warehouse” up to approximately U.S.$1,000,000,000 aggregate Principal Balance, in the case of Synthetic Securities, Reference Obligation Notional Amount) of Collateral Assets and up to U.S.$930,000,000 aggregate principal amount of Default Sweep Collateral selected by the Collateral Manager for resale to the Issuer pursuant to the terms of a forward purchase agreement. As part of the warehouse arrangement, such affiliate of Goldman Sachs & Co., the Issuer and third parties may enter into certain ancillary arrangements under which the risk of loss of the value of the Collateral Assets during the accumulation period will be shared. Of such amount of Collateral Assets to be “warehoused,” it is expected that a portion will be purchased from affiliates of Goldman Sachs & Co. and a portion will be purchased from third parties. It is also expected that a portion of such amount will be represented by one or more Synthetic Securities entered into between the Issuer and Goldman Sachs & Co. or an affiliate thereof wherein the Issuer will be selling credit protection. Pursuant to the terms of the forward purchase agreement, the Issuer will be obligated to purchase the “warehoused” assets provided such Collateral Assets satisfy certain eligibility criteria on the Closing Date for a formula purchase price designed to reflect the yields or spreads (or premiums in the case of Synthetic Securities) at which the Collateral Assets were purchased (using the prepayment speed and other assumptions used to set the initial price of each individual asset), as adjusted for any hedging gain or loss and any loss or gain on any Collateral Assets sold to a party other than the Issuer during the warehousing period. Consequently, the market values of “warehoused” Collateral Assets at the Closing Date may be less than or greater than the formula purchase price paid by the Issuer. In addition, if a Collateral Asset becomes ineligible during the warehousing period and is not purchased by the Issuer on the Closing Date, or if a Collateral Asset is otherwise sold at the direction of the Collateral Manager or Goldman Sachs & Co. (which sale may only occur with the consent of Goldman Sachs & Co.), the Issuer will bear the loss or receive the gain on the sale of such Collateral Asset to a third party.

Disposition of Collateral Assets by the Collateral Manager. Under certain circumstances, if the Trust and the Collateral Manager have agreed that the Collateral Manager has not in good faith managed to ensure that the Collateral Manager will dispose of the Collateral Assets in compliance with the definition of Credit Risk Obligations, or if the Collateral Manager has failed to make a reasonable determination of the nature or extent of a particular default or event of default, the Issuer will have the right, at any time, to direct the Collateral Manager to sell, at a price equal to the fair market value, all or any portion of the Collateral Assets, each of which may result in losses by the Issuer, which losses may result in the reduction or withdrawal of the rating of any or all of the Notes by any of the Rating Agencies. On the other hand, circumstances may exist under which it is in the best interests of the Issuer or the Holders of the Notes to dispose of Collateral Assets, but the Collateral Manager is not required to direct the Issuer or the Issuer does not otherwise sell such Collateral Assets.

Average Lives, Duration and Prepayment Considerations. The average lives of the Notes (other than the Class S Notes) and the duration of the Securities is expected to be shorter than the number of years until their Stated Maturity. See “Weighted Average Life and Yield Considerations.”

The average lives of the Notes and the duration of the Securities will be affected by the financial condition of the obligors or issuers of the Collateral Assets and the characteristics of the Collateral Assets, including the existence and frequency of exercises of any prepayment, optional redemption or sinking fund features, the prepayment speed, the occurrence of any early amortization events, the prevailing level of interest rates, the redemption price, the actual default rate and the actual level of recoveries in respect of any Defaulted Obligations, the frequency of tender or exchange offers for the Collateral Assets and the tenor of any sales of Collateral Assets.

Some or all of the securities underlying the CDO Securities may be prepaid at any time (although certain of such securities may have "lockout" periods, defeasance provisions, prepayment penalties or other disincentives to prepayment). Defeasance and liquidations of the securities and other collateral underlying the CDO Securities may also lead to early repayment thereof. The existence and frequency of such prepayments, optional redemptions, defeasances and liquidations will affect the average lives of, and credit support for, the Notes and the duration of the Securities. See “—Collateral Assets,” “Weighted Average Life and Yield Considerations” and “Security for the Notes.”
Footnote Exhibits - Page 5502

Projections, Forecasts and Estimates. Estimates of the weighted average lives of, and returns on, the Notes included herein, together with any other projections, forecasts and estimates provided to prospective purchasers of the Securities, are forward looking statements. Such statements are necessarily speculative in nature, as they are based on certain assumptions. It can be expected that some or all of the assumptions underlying such statements will not reflect actual conditions. Accordingly, there can be no assurance that any estimated projections, forecasts or estimates will be realized or that the forward looking statements will materialize, and actual results may vary from the projections, and the variations may be material.

Some important factors that could cause actual results to differ materially from those in any forward looking statements include changes in interest rates, market, financial or legal uncertainties, levels of default, liquidation and prepayments of the underlying assets, mismatches between the timing of accrual and receipt of Proceeds from the Collateral Assets and the effectiveness of the Cashflow Swap Agreement, among others.

None of the Issuer, the Co-Issuer, the Collateral Manager, the Initial Purchaser or any of their respective affiliates has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.

Dependence of the Issuer on the Collateral Manager. The Issuer has no employees and is dependent on the employees of the Collateral Manager to advise the Issuer in accordance with the terms of the Indenture and the Collateral Management Agreement. Consequently, the loss of one or more of the individuals employed by the Collateral Manager to administer the Collateral Assets or to provide the services in respect of the Collateral Assets could have an adverse effect, which effect may be material, on the performance of the Issuer. See "The Collateral Manager and "The Collateral Management Agreement."

Collateral Assets

General. The following description of the Collateral Assets, the Default Swap Collateral and the Reference Obligations and the underlying documents and the risks related thereto is general in nature. Prospective purchasers of the Securities should review the summaries of the Initial Collateral Assets and Reference Obligations set forth in Appendix B to the Offering Circular.

Nature of Collateral. The Collateral is subject to credit, liquidity, prepayment and interest rate risks. The amount and nature of collateral securing the Notes has been established to withstand certain assumed deficiencies in payment occasioned by defaults in respect of the Collateral Assets and the Reference Obligations. See "Ratings of the Notes." If any deficiencies exceed such assumed deficiencies, however, payment of the Notes could be adversely affected. To the extent that a default or credit event occurs with respect to any Collateral Asset securing the Notes and the Collateral Manager exercises its right to cause the sale or other disposition of such Collateral Asset, it is not likely that the proceeds of such sale or other disposition will be equal to the amount of principal and interest owing to the Issuer in respect of such Collateral Asset.

The market value of the Collateral Assets and the Reference Obligations generally will fluctuate with, among other things, the financial condition of the Reference Obligations and obligors on or issuers of the Collateral Assets and the Reference Obligations, the credit quality of the underlying pool of assets in any Collateral Asset or Reference Obligation, the Synthetic Security Counterparty, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. None of the Issuer, the Co-Issuer, the Initial Purchaser, the Collateral Manager, the Collateral Administrator or the Trustee has any liability or obligation to the Holders of Securities as to the amount or value of, or decrease in the value of the Collateral Assets from time to time.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021925413
If a Collateral Asset becomes a Credit Risk Obligation or a Defaulted Obligation, the Collateral Manager may direct the issuer to sell, terminate or assign the affected Collateral Asset. There can be no assurance as to the timing of the issuer’s sale, termination or assignment of the affected Collateral Asset, or as to the rates of recovery on such affected Collateral Asset. The inability to realize immediate recoveries at the recovery levels assumed herein may result in lower cash flow and a lower yield to maturity of the Notes and may adversely affect the yield on the Income Notes.

Synthetic Securities. Approximately 93.00% of the Collateral Assets (by Principal Balance) as of the Closing Date are expected to consist of Synthetic Securities. All of the Reference Obligations referenced in the Synthetic Securities are expected to be CDO Securities.

The economic return on a Synthetic Security depends substantially upon the performance of the related Reference Obligation and partially upon the performance of the collateral posted by the issuer to secure its obligations to the Synthetic Security Counterparty on deposit in the Default Swap Collateral Account. Synthetic Securities generally have probability of default, recovery upon default and expected loss characteristics, which are closely correlated to the corresponding Reference Obligation, but may have different maturity dates, coupons, payment dates or other non credit characteristics than the corresponding Reference Obligation. In addition to the credit risks associated with holding the Reference Obligation, with respect to Synthetic Securities, the Issuer will usually have a contractual relationship only with the related Synthetic Security Counterparty, and not with the Reference Obligor of the Reference Obligation. Due to the fact that a Synthetic Security may be liquid or may not be terminable on demand (or terminable on demand only upon payment of a substantial fee by the Issuer), the Issuer’s ability to dispose of a Synthetic Security, if circumstances arise permitting such disposal, may be limited. Any settlement payments and termination payments payable by the Issuer (net of any termination payments owing by the Synthetic Security Counterparty to the Synthetic Security Counterparty will reduce the amount available to pay the Holders of the Income Notes and the Notes in inverse order of seniority. The Issuer generally will have no right to directly enforce compliance by the Reference Obligor with the terms of the Reference Obligation nor any rights of set off against the Reference Obligor, nor have any voting rights with respect to the Reference Obligation. The Issuer will not directly benefit from the collateral supporting the Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation.

Because neither the Synthetic Security Counterparty nor the Issuer is required to hold any Reference Obligation, the Issuer will not have any right to obtain from either the Synthetic Security Counterparty or the Reference Obligor Information on the Reference Obligations or Information regarding any other Obligor. The Synthetic Security Counterparty will have no obligation to keep the Issuer, the Trustee, the Collateral Manager, the Collateral Administrator, the Holders of the Notes or the Holders of the Income Notes informed as to matters arising in relation to any Reference Obligation including whether or not circumstances exist under which there is a possibility of the occurrence of a Credit Event of a Floating Amount Event.

In addition, in the event of insolvency of the Synthetic Security Counterparty, the Issuer will be treated as a general creditor of such Synthetic Security Counterparty, and will not have any claim with respect to the Reference Obligor or the Reference Obligation. Consequently, the Issuer will be subject to the credit risk of the Synthetic Security Counterparty as well as that of the Reference Obligor and the Reference Obligation. As a result, concentrations of Synthetic Securities in any one Synthetic Security Counterparty subject the Notes and the Income Notes to an additional degree of risk with respect to defaults by such Synthetic Security Counterparty. It is expected that Goldman Sachs International, an affiliate of Goldman, Sachs & Co., will act as the sole Synthetic Security Counterparty with respect to the Synthetic Securities, which creates concentration risk and may create certain conflicts of interest. In addition, neither the Synthetic Security Counterparty nor its affiliates will be (or be deemed to be acting as) the agent or trustee of the Issuer, the Holders of the Notes or the Holders of the Income Notes in connection with the exercise of, or the failure to exercise, any of the rights or powers of the Synthetic Security Counterparty and/or its affiliates arising under or in connection with their respective holding of any Reference Obligation. The Synthetic Security Counterparty and its affiliates (1) may hold any Reference Obligation, (2) may generally engage in any kind of commercial or investment banking or other services, and (3) may engage in any kind of underwriting or investment banking business.
business transactions with any issuer of a Reference Obligation, and (ii) may act with respect to transactions described in the preceding clauses (i) and (ii) in the same manner as if the Synthetic Securities and the Notes did not exist and without regard to whether any such action might have an adverse affect on such Reference Obligation, the Issuer, the Holders of the Notes or the Holders of the Income Notes.

All of the Synthetic Securities are expected to be structured as "pay-as-you-go" credit default swaps. The obligation of the Issuer to make payments to the Synthetic Security Counterparty under the Synthetic Securities creates credit exposure to the related Reference Obligations (as well as to the default risk of the related Synthetic Security Counterparty). Following the occurrence of a Credit Event, the Issuer may be required to pay to the Synthetic Security Counterparty a "physical settlement payment". In addition, each Synthetic Security may require the Issuer, in its capacity as protection seller, to pay certain Floating Amounts to the Synthetic Security Counterparty equal to certain principal shortfall amounts, withdrawn payments and interest shortfalls with respect to the Reference Obligation upon the occurrence thereof. The payment of any such Credit Protection Amounts and Floating Amounts will be funded by the Issuer, through the liquidation Default Swap Collateral as described herein. The Synthetic Security Counterparty will be obligated to reimburse all or part of such payments to the Issuer if the withdrawn payments of the related shortfall amounts are ultimately paid to holders of the Reference Obligations or if the related Reference Obligations are written up, the amounts available to the Issuer to make payments in respect of the Notes and the Income Notes may be reduced after payment by the Issuer of the relevant payment to the Synthetic Security Counterparty until the Issuer receives such reimbursement, if any, from the Synthetic Security Counterparty. Any Floating Amounts or Credit Protection Amounts payable by the Issuer may result in a reduction of the Reference Obligation Notional Amount of the related Synthetic Security, and therefore reduce the amounts payable by the Synthetic Security Counterparty and the amount of interest collections available to pay interest on the Notes and distributions to Income Notes. In addition, any Floating Amounts or Credit Protection Amounts would reduce the Default Swap Collateral on deposit in the Default Swap Collateral Account that is available to pay the principal of the Notes and may reduce the interest collections available to pay interest on the Notes.

Determination of the Floating Amounts and Additional Fixed Amounts (as described in the Master Confirmation) will depend on the relevant service reports being available and on such reports containing adequate information to enable the required calculations to be made. Current private industry investigations of the market practices show that such reports can vary and that not all reports contain adequate information. In addition, access to service reports may be limited if such reports are confidential and neither counterparty holds the related Reference Obligation.

The Issuer will be required to purchase Default Swap Collateral and pledge to the Synthetic Security Counterparty a first priority security interest in such Default Swap Collateral. In the event a Credit Event or Floating Amount Event occurs under a Synthetic Security, the amount of Default Swap Collateral chosen by the Synthetic Security Counterparty after the application of any cash on deposit in the Default Swap Collateral Account will be sold to the Trustee at the direction of the Collateral Manager and the amount owed to the Synthetic Security Counterparty will be paid by the Issuer from the liquidation proceeds of such Default Swap Collateral. In the event such liquidation proceeds are less than par, the Synthetic Security Counterparty will accept the liquidation proceeds applicable to the less amount of Synthetic Security Collateral sold which is equal to the amount due to the Synthetic Security Counterparty. In addition, under certain circumstances upon the occurrence of a Credit Event, the Default Swap Collateral chosen by the Synthetic Security Counterparty will instead be delivered to the Synthetic Security Counterparty in exchange for a Deliverable Obligation. Any Deliverable Obligation delivered to the Issuer will be treated as a Collateral Asset, provided that, notwithstanding the foregoing, each such Deliverable Obligation may be retained by the Collateral Manager or sold by the Collateral Manager at the sole discretion of the Collateral Manager without regard to whether such sale would be permitted as a sale of a Defaulted Obligation or a Credit Risk Obligation. Provided that no Event of Default has occurred and is continuing in the event that no Credit Event under a Synthetic Security occurs prior to the termination or scheduled maturity of such Synthetic Security, upon the termination or scheduled maturity of such Synthetic Security, the related Default Swap Collateral will be released from the lien of the Synthetic Security Counterparty and be treated as a Collateral Asset. If the Collateral Manager elects to

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825415
sell or terminate a portion of a Synthetic Security prior to its scheduled maturity, the Synthetic Security Counterparty will choose the Default Swap Collateral to be liquidated to make any termination payments due to the Synthetic Security Counterparty after the application of cash available in the Default Swap Collateral Account and the Collateral Manager will cause such portion of the Default Swap Collateral to be sold and the liquidation proceeds equaling any such termination payment to be paid to the Synthetic Security Counterparty. The remaining portion of Default Swap Collateral not required to be pledged to such Synthetic Security Counterparty will be delivered to the Trustee free of such lien. The Collateral Manager, in accordance with the terms of the related Synthetic Security and the Indenture and with the consent of the Synthetic Security Counterparty, may be able to reinvest the proceeds of Default Swap Collateral in substitute Default Swap Collateral prior to the termination or maturity of the related Synthetic Security. The Issuer may realize a loss upon any sale of any Default Swap Collateral.

Termination payments due to the Synthetic Security Counterparty, other than Defaulted Synthetic Termination Payments, will be paid by the Issuer directly through the liquidation of Default Swap Collateral outside of the Priority of Payments. In addition, Liquidation Proceeds needed to conduct an Avulsion, an Optional Redemption by Liquidation or a Tax Redemption or to liquidate the Collateral in connection with an Event of Default and acceleration under the Indenture, will be calculated after taking into account any termination payments (other than Defaulted Synthetic Security Termination Payments) that may be due to the Synthetic Security Counterparty upon the termination of the Synthetic Securities or any assignment payments due to an assignee of the Synthetic Securities. Any termination or assignment payments paid directly to the Synthetic Security Counterparty or any assignee of a Synthetic Security and not through the Priority of Payments may reduce amounts available for payments on the Securities.

"Pay-as-you-go" credit default swaps are a type of credit default swap developed to incorporate the unique structures of asset-backed securities. The International Swaps and Derivatives Association, Inc. ("ISDA") has published a form confirmation for "pay-as-you-go" credit default swaps referencing CDO Securities. The form confirmation expected to be used to document the Synthetic Securities is expected to be similar, but may differ substantially from the ISDA "pay-as-you-go" form. While ISDA has published its form confirmations and has published and supplemented the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit default swap market, the credit default swap market is expected to change and the "pay-as-you-go" credit default swap forms and the Credit Derivatives Definitions and terms applied to credit derivatives are subject to interpretation and further evolution. ISDA is currently preparing forms for other types of asset-backed securities. There can be no assurance that such forms will be substantially similar to the form confirmation expected to be used for the Synthetic Securities. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution of the ISDA "pay-as-you-go" credit default swap forms, the confirmations used to document the Synthetic Securities may differ from the future market standard. Such a result may have a negative impact on the liquidity and market value of the Synthetic Securities.

There can be no assurances that changes to the Credit Derivatives Definitions and other terms applicable to credit derivatives generally will be predictable or favorable to the Issuer. Amendments or supplements to the "pay-as-you-go" credit default swap forms and amendments and supplements to the Credit Derivatives Definitions that are published by ISDA will only apply to the Synthetic Securities executed prior to such amendment or supplement if the Issuer and the Synthetic Security Counterparty agree to amend the Synthetic Securities to incorporate such amendments or supplements and the Rating Agency Condition has been satisfied. Markets in different jurisdictions have also already adopted and may continue to adopt different practices with respect to the Credit Derivatives Definitions. Furthermore, the Credit Derivatives Definitions may contain ambiguous provisions that are subject to interpretation and may result in consequences that are adverse to the Issuer. In addition to the credit risk of the Reference Obligations and the credit risk of the Synthetic Security Counterparty, the Issuer is also subject to the risk that the Credit Derivatives Definitions could be interpreted in a manner that would be adverse to the Issuer or that the credit derivatives market generally may evolve in a manner that would be adverse to the Issuer.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825416
PROSPECTIVE PURCHASERS OF THE NOTES AND THE INCOME NOTES SHOULD CONSIDER AND ASSESS FOR THEMSELVES THE LIKELY LEVEL OF DEFAULTS ON THE COLLATERAL ASSETS, AS WELL AS THE LIKELY LEVEL AND TIMING OF RECOVERIES ON THE COLLATERAL ASSETS.

CDO Securities.

On the Closing Date, all of the Collateral Assets are expected to be CDO Securities and Synthetic Securities the Reference Obligations of which are CDO Securities, including without limitation high grade and mezzanine structured finance CDO Securities and CDOs of CDOs. A portion of the Default Swap Collateral could consist of CDO Securities.

CDO Securities generally are limited recourse obligations of the issuer thereof payable solely from the underlying assets of the issuer (“CDO Collateral”) or proceeds thereof. Consequently, holders of CDO Securities must rely solely on distributions on the underlying CDO Collateral or proceeds thereof for payment in respect thereof. If distributions on the underlying CDO Collateral are insufficient to make payments on the CDO Securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer to pay such deficiency shall be extinguished. Many subordinated classes of CDO Securities provide that a default of interest thereon or a write-down does not constitute an event of default and the holders of such securities will not have available to them any associated default remedies. During such periods of non payment or partial non-payment, such non-paid interest will generally be capitalized and added to the outstanding principal balance of the related security. Any such default will reduce the amount of current payments made on such CDO Securities.

CDO Securities are subject to credit, liquidity and interest rate risks. The assets backing CDO Securities may consist of high yield debt securities, loans, structured finance securities, other debt instruments and Synthetic Securities referencing debt instruments. High yield debt securities are generally unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. An increase in the default rates of high yield corporate debt securities or loans could increase the likelihood that payments may not be made to holders of CDO Securities which are secured by high yield corporate debt securities and loans. The risks associated with structured finance securities can vary widely depending on the type of collateral, the type of credit enhancements, the relative seniority or subordination of the class of securities, the relative allocation of principal and interest payments in the prioritized credit losses and defaults and whether the collateral represents a fixed pool or allows for reinvestment. In addition, CDO Securities backed by Synthetic Securities will be subject to risks similar to those described in respect of Synthetic Securities herein.

Issuers of CDO Securities may acquire interests in loans and other debt obligations by way of assignment or participation. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution.

In purchasing participations, an issuer of CDO Securities will usually have a contractual relationship only with the selling institution, and not the borrower. The issuer generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set off against the borrower, nor have the right to object to certain changes in the loan agreement agreed to by the selling institution. The issuer may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set off the borrower has against the selling institution. In addition, in the event of the insolvency of the selling institution, under the laws of the United States of America and the states thereof, the issuer may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution’s interest in, or the collateral with respect to, the loan. Consequently, the issuer may be subject to the credit risk of the selling institution as well as of the borrower.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825417
CDO Securities are subject to interest rate risk and day count basis risk. The CDO Collateral of the issuer of CDO Securities may bear interest at a fixed (floating) rate while the CDO Securities issued by such issuer may bear interest at a floating (fixed) rate. As a result, there could be a floating/fixed or fixed/floating basis mismatch between such CDO Securities and CDO Collateral which bears interest at a fixed rate and there may be a timing mismatch between the CDO Securities and assets that bear interest at a floating rate as the interest rate on such assets bearing interest at a floating rate may adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the CDO Securities. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability to make payments on the CDO Securities. In addition, hedges may have been acquired to manage the interest rate risk of such CDO Securities, making such CDO Securities also subject to the credit risk of the applicable hedge counterparty.

Subordination of CDO Securities. 100% of the CDO Securities representing 100% of the Collateral Assets (by Principal Balance) to be acquired by the issuer are expected to be investment grade, each as of the Closing Date. Certain of the CDO Securities will be subordinated to one or more other classes of securities of the same series or multiple classes of securities of the same series for purposes of, among other things, offsetting losses and other shortfalls with respect to the related underlying mortgage loans or assets. The subordinate classes are more sensitive to risk of loss and writeoffs than senior classes of such securities.

Commercial Mortgage-Backed Securities.

A portion of the Default Swap Collateral may consist of Commercial Mortgage-Backed Securities ("CMBS") that satisfy the Default Swap Eligibility Criteria.

Holders of CMBS bear various risks, including credit, market, interest rate, structural and legal risks. CMBS are securities backed by obligations (including certificates of participation in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers. CMBS have been issued in public and private transactions by a variety of public and private issuers using a variety of structures, including senior and subordinated classes. Risks affecting real estate investments include general economic conditions, the condition of financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The cyclical and leverage associated with real estate-related investments have historically resulted in periods, including significant periods, of adverse performance, including performance that may be materially more adverse than the performance associated with other investments. In addition, commercial mortgage loans generally lack standardized terms, tend to have shorter maturities than residential mortgage loans and may provide for the payment of all or substantially all of the principal only at maturity. Additional risks may be presented by the type and use of a particular commercial property. For instance, commercial properties that operate as hospitals and nursing homes may present special risks to lenders due to the significant governmental regulation of the ownership, operation, maintenance and financing of health care institutions. Hotel and motel properties are often operated pursuant to franchises, management or operating agreements which may be terminable by the franchisor or operator; and the transferability of a hotel's operating, liquor and other licenses upon a transfer of the hotel, whether through purchase or foreclosure, is subject to local law requirements. All of these factors increase the risks involved with commercial real estate lending. Commercial properties tend to be unique and are more difficult to value than single-family residential properties. Commercial lending is generally viewed as exposing a lender to a greater risk of loss than residential one-to-four family lending since it typically involves larger loans to a single borrower than residential one-to-four family lending.

Commercial mortgage lenders typically look to the debt service coverage ratio of a loan secured by income-producing property as an important measure of the risk of default on such a loan. Commercial property values and net operating income are subject to volatility, and net operating income may be insufficient or insufficient to cover debt service on the related mortgage loan at any given time. The repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project rather than upon the liquidation value of the underlying real

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825418
1437

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021925419
Residential Mortgage-Backed Securities.

A portion of the Default Swap Collateral may consist of Residential Mortgage-Backed Securities ("RMBS") that satisfy the Default Swap Eligibility Criteria.

Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by agencies and the securities issued are guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting inures located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans may include so-called "jumbo" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, such portfolio of RMBS may experience increased losses.

Each underlying residential mortgage loan in an issue of RMBS may have a balloon payment due on its maturity date. Balloon residential mortgage loans involve a greater risk to a lender than self-amortizing loans, because the ability of a borrower to pay such amount will normally depend on its ability to obtain refinancing of the related mortgage loan or sell the related mortgaged property at a price sufficient to permit the borrower to make the balloon payment, which will depend on a number of factors prevailing at the time such refinancing or sale is required, including, without limitation, the strength of the residential real estate markets, tax laws, the financial situation and operating history of the underlying property, interest rates and general economic conditions. If the borrower is unable to make such balloon payment, the related issue of RMBS may experience losses.

Prepayments on the underlying residential mortgage loans in an issue of RMBS will be influenced by the prepayment provisions of the related mortgage notes and may also be affected by a variety of economic, geographic and other factors, including the difference between the interest rates on the underlying residential mortgage loans (giving consideration to the cost of refinancing) and prevailing mortgage rates and the availability of refinancing. In general, if prevailing interest rates fall significantly below the interest rates on the related residential mortgage loans, the rate of prepayment on the underlying residential mortgage loans would be expected to increase. Conversely, if prevailing interest rates rise to a level significantly above the interest rates on the related mortgages, the rate of prepayment would be expected to decrease. Prepayments could reduce the yield received on the related issue of RMBS.

Structural and Legal Risks of RMBS. Residential mortgage loans in an issue of RMBS may be subject to various federal and state laws, public policies and principles of equity that protect consumers, which among other things may regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit, and cause loans to be repaid or modified in certain circumstances.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825420
credit information and regulate debt collection practices. Violation of certain provisions of these laws, public policies and principles may limit the servicer’s ability to collect all or part of the principal or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could result also in cash flow delays and losses on the related issue of RMBS.

RMBS may have structural characteristics that distinguish them from other asset-backed securities. The rate of interest payable on RMBS may be set or effectively capped at the weighted average net coupon of the underlying mortgage loans themselves. As a result of this cap, the return to investors is dependent on the relative timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Federal and state law may also affect the return to investors by capping the interest rates payable by certain mortgagees. The Servicemembers’ Civil Relief Act of 2003 (the “Relief Act”) provides relief for soldiers and members of the reserve called to active duty by capping the interest rates on their mortgage loans at 6% per annum. Certain RMBS may provide for the payment of only interest for a stated period of time.

In addition, structural and legal risks of RMBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer or could be substantively consolidated with those of the originator or the servicer, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and losses on the related issue of RMBS.

It is not expected that the RMBS will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Distributions on RMBS will depend solely upon the amount and timing of payments and other collections on the related underlying mortgage loans.

Recent Developments in RMBS May Adversely Affect the Performance and Market Value of RMBS. Recently, the residential mortgage market in the United States has experienced a variety of difficulties and changing economic conditions that may adversely affect the performance and market value of RMBS. Delinquencies and losses with respect to residential mortgage loans generally have increased in recent months, and may continue to increase, particularly in the subprime sector. In addition, in recent months housing prices and appraised values in many states have declined or stopped appreciating. A continued decline or an extended flattening of these values may result in additional increases in delinquencies and losses on RMBS generally.

Another factor that may result in higher delinquency rates is the increase in monthly payments on adjustable rate mortgage loans. Borrowers with adjustable rate mortgage loans are being exposed to increased monthly payments when the related mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate. Borrowers seeking to avoid these increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. A decline in housing prices may also leave borrowers with insufficient equity in their homes to permit them to refinance. Furthermore, borrowers who intend to sell their homes on or before the expiration of the fixed rate periods on their mortgage loans may find that they cannot sell their properties for an amount equal to or greater than the unpaid principal balance of their loans. These events, alone or in combination, may contribute to higher delinquency rates and, as a result, adversely affect the performance and market value of RMBS.

In addition, numerous residential mortgage loan originators that originate subprime mortgage loans have recently experienced serious financial difficulties and, in some cases, bankruptcy. According to published reports, these difficulties have resulted in part from declining markets for mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or for material breaches of representations and warranties made on the mortgage loans, such as fraud claims. These difficulties may affect the performance and market value of RMBS.
Asset-Backed Securities.

A portion of the Default Swap Collateral may consist of Asset-Backed Securities that satisfy the Default Swap Eligibility Criteria.

The structure of an Asset-Backed Security and the terms of the interest in the collateral can vary widely depending on the type of collateral, the desires of investors and the use of credit enhancements. Individual transactions can differ markedly in both structure and execution. Important determinants of the risk associated with issuing or holding Asset-Backed Securities include the relative seniority or subordination of the class of Asset-Backed Securities held by an investor, the relative allocation of principal and interest payments in the priority by which such payments are made under the governing documents, how credit losses affect the issuing vehicle and the return to investors, whether collateral represents a fixed set of specific assets or accounts, whether the underlying collateral assets are revolving or closed-end, under what terms (including maturity of the asset backed instrument) any remaining balance in the accounts may revert to the issuing company and the extent to which the company that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to the investors. With respect to some types of Asset-Backed Securities, the risk is more closely correlated with the default risk on corporate bonds of similar terms and maturities than with the performance of a pool of receivables. In addition, certain Asset-Backed Securities (particularly subordinated Asset-Backed Securities) provide that the non payment of interest in cash on such securities will not constitute an event of default in certain circumstances and the holders of such securities will not have available to them any associated default remedies. Interest not paid in cash will generally be capitalized and added to the outstanding principal balance of the related security. Any such default will reduce the yield on such Asset-Backed Securities.

Holders of Asset-Backed Securities bear various risks, including credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks and legal risks. Credit risk arises from losses due to defaults by the borrowers in the underlying collateral and the issuer's or servicer's failure to perform. These two elements may be related, as, for example, in the case of a servicer which does not provide adequate credit review services to the serviced portfolio, leading to higher incidence of defaults. Market risk arises from the cash flow characteristics of the security, which for most Asset-Backed Securities tend to be predictable. The greatest variability in cash flows comes from credit performance, including the presence of prepayment or acceleration features designed to protect the investor in the event that credit losses in the portfolio rise well above expected levels. Interest rate risk arises for the issuer from the relationship between the pricing terms on the underlying collateral and the terms of the note paid to holders of securities and from the need to make market the excess servicing or spread account proceeds carried on the balance sheet. For the holder of the security, interest rate risk depends on the expected life of the Asset-Backed Securities which may depend on prepayments on the underlying assets or the occurrence of wind down or termination events.

If the servicer becomes subject to financial difficulty or otherwise ceases to be able to carry out its functions, it may be difficult to find other acceptable substitute servicers and cash flow disruptions or losses may occur, particularly with non-standard receivables or receivables originated by private retailers who collected many of the payments at their stores. Structural and legal risks include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer and could be substantially consolidated with those of the originator or the servicer, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and reductions. Other similar risks relate to the degree to which cash flows on the assets of the issuer may be commingled with those on the originator's or the servicer's other assets.

Insolvency Considerations with Respect to Issuers of Collateral Assets. Various laws enacted for the protection of creditors may apply to the Collateral Assets. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a Collateral Asset, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incoming

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825422
the indebtedness constituting the Collateral Asset or for granting a lien securing the Collateral Asset, and, after giving effect to such indebtedness or such lien, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted an unreasonably small capital, or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, such court could determine to be fraudulently a fraudulent conveyance, to subordinate such indebtedness or such lien to existing or future creditors of such issuer, or to recover amounts previously paid by such issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they become absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the Collateral Asset or the grant of a lien securing the Collateral Asset or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence or grant.

In addition, in the event of the insolvency of an issuer of a Collateral Asset, payments made on such Collateral Asset or a lien securing such Collateral Asset could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year or longer) before insolvency. Payments made under loans underlying Collateral Assets may also be subject to avoidance in the event of the bankruptcy of the borrower.

In general, if payments on a Collateral Asset are avoidable, whether as fraudulent conveyances or preferences, such payments can be reacquired. To the extent that any such payments are reacquired, the resulting loss will be borne first by the Holders of the Income Notes, then by the Holders of the Class D Notes, then by the Holders of the Class C Notes, then by the Holders of the Class B Notes, then by the Holders of the Class A-2 Notes, then by the Holders of the Class A-2a Notes, then by the Holders of the Class A-2b Notes, then by the Holders of the Class A-1a Notes and, finally, by the Holders of the Class A-1b Notes.

Illiquidity of Collateral Assets; Certain Restrictions on Transfer. There may be a limited trading market for many of the Collateral Assets purchased by the Issuer, and in certain instances there may be effectively no trading market therefor.

In addition, it is expected that substantially all of the Collateral Assets will generally not have been registered or qualified under the Securities Act, or the securities laws of any other jurisdiction, and no person or entity will be obligated to register or qualify any such Collateral Assets under the Securities Act or any other securities law. Consequently, the Issuer's transfer of such Collateral Assets will be subject to satisfaction of legal requirements applicable to transfers that do not require registration or qualification under the Securities Act or any applicable state securities laws and upon satisfaction of certain other provisions of the respective agreements pursuant to which the Collateral Assets were issued. It is expected that such transfers will also be subject to satisfaction of certain other restrictions regarding the transfer thereof for, for the benefit of or with assets of, a Plan, as well as certain other transfer restrictions. The existence of such transfer restrictions will negatively affect the liquidity of, and consequently the price that may be realized upon a sale of, such securities.

The Issuer's investment in Illiquid Collateral Assets may affect the Issuer's right to sell such investments if they become Credit Risk Obligations or Defaulted Obligations and the timing and price thereof. The value of Illiquid Collateral Assets may be less than comparable, more liquid investments. The Illiquidity of Collateral Assets and the restrictions on transfer of Collateral Assets, in each case as described above, may also affect the ability of the Issuer to conduct a successful Auction, to exercise redemptions and may also affect the amount and timing of receipt of proceeds from the sale of Collateral Assets in connection with the exercise of remedies following an Event of Default.

Volatility of Market Value of Collateral Assets. The market value of the Collateral Assets and the Reference Obligations will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, developments or trends in
interest rate risk: Cashflow Swap Agreement. There will be a basis and timing mismatch between such Notes and the Collateral Assets which bear interest at a floating rate, since the interest rates on such Collateral Assets bearing interest at a floating rate may adjust more frequently or less frequently, on different dates and based on different indices, than the interest rates on the Notes. The fixed rates and margins over LIBOR or other floating rates borne by Collateral Assets may be lower than those on sold or amortized Collateral Assets which could cause a significant decline in interest coverage for the Notes.

On the Closing Date, the Issuer will enter into a Cashflow Swap Agreement to reduce the impact of the timing mismatches between payments of interest on the Class S Notes, the Class A Notes and the Class B Notes and the receipt of payments on the Collateral Assets that are PKI Bonds. After the Closing Date, even if the Collateral Manager believes that engaging in a hedging technique (other than replacing an existing Cashflow Swap Agreement that is terminated) would be beneficial, the Collateral Manager will be unable to do so. Despite the Issuer having the benefit of a Cashflow Swap Agreement, there can be no assurance that the Collateral Assets and the Eligible Investments will in all circumstances generate sufficient Proceeds to make timely payments of stated interest on the Notes or amounts subordinated therein. There is no assurance that the Cashflow Swap Agreement will solve all cashflow deferral mismatches.

The Issuer may only terminate the Cashflow Swap Agreement if the Rating Agency Condition is satisfied. In the event the Cashflow Swap Agreement is terminated other than from termination events described in the Cashflow Swap Agreement, the Issuer has agreed to use reasonable efforts to enter into a substitute Cashflow Swap Agreement unless the Rating Agency Condition would not be satisfied by a substitute Cashflow Swap Agreement, but there is no assurance that a substitute will be found or that the Rating Agency Condition will be satisfied. Any termination of the Cashflow Swap Agreement, whether in whole or in part, may require the Issuer to pay termination payments to the Cashflow Swap Counterparty, which amounts are payable in accordance with the Priority of Payments prior to any payments on the Notes unless such payments are Definitive Cashflow Swap Termination Payments.

The Issuer’s ability to meet its obligations on the Notes will largely depend on the ability of the Cashflow Swap Counterparty to meet its obligations under the Cashflow Swap Agreement. In the event the Cashflow Swap Counterparty defaults or the Cashflow Swap Agreement is terminated, there can be no assurance that the amounts received from the Collateral Assets will be sufficient to provide for full payments due and payable on the Notes, or that amounts otherwise distributable to the Holders of the income Notes will not be reduced.

In the event of the insolvency of the Cashflow Swap Counterparty, the Issuer will be treated as a general creditor of such Cashflow Swap Counterparty. Consequently, the Issuer will be subject to the credit of the Cashflow Swap Counterparty. As a result, concentrations of Cashflow Swap Agreements in any one Cashflow Swap Counterparty subject the Notes to an additional degree of risk with respect to defaults by such Cashflow Swap Counterparty.

Goldman Sachs International will be the initial Cashflow Swap Counterparty.

Prospective purchasers of the Notes and the Income Notes should consider and assess for themselves the likelihood of a default by the Cashflow Swap Counterparty or a guarantee of its obligations, as well as the obligations of the Issuer under the Cashflow Swap Agreement, including the obligations to make termination payments to the Cashflow Swap Counterparty, and the Issuer’s ability of the Issuer to terminate or reduce the Cashflow Swap Agreement or enter into additional Cashflow Swap Agreements.
Footnote Exhibits - Page 5514

Concentration Risk: The issuer will invest in a pool of Collateral Assets consisting of U.S. Dollar denominated CDO Securities and Synthetic Securities referencing CDO Securities. With regard to the Collateral Assets or the securities underlying the CDO Securities with respect to any particular obligor, industry or country (other than the United States), the concentration of the Collateral Assets (or the portfolio of securities underlying certain Collateral Assets) in any one obligor would subject the Securities to a greater degree of risk with respect to defaults by such obligor, and the concentration of the Collateral Assets (or the portfolio of securities underlying certain Collateral Assets) in any one industry would subject the Securities to a greater degree of risk with respect to economic downturns relating to such industry. In addition, the concentration of the Collateral Assets (or the portfolio of securities underlying certain Collateral Assets) in any one country (other than the United States) would subject the Securities to special risks related to regional economic conditions and sovereign risks. Further, the concentration of the Collateral Assets will change after the Closing Date as the underlying securities backing the CDO Securities or Reference Obligations are sold, paid or redeemed.

No single issuer (or, with respect to Synthetic Securities, no single issuer of the related Reference Obligation) will represent as of the Closing Date more than approximately 2.5% of the Collateral Assets by outstanding Principal Balance. See "Security for the Notes—The Collateral Assets."

Other Considerations

Changes in Tax Law; No Gross-Up. Payments on the Collateral Assets generally are expected to be exempt under current United States tax law from the imposition of United States withholding tax. See "Tax Considerations—United States Tax Considerations—Tax Treatment of Issuer." However, the issuer will not be making any independent investigation of the circumstances surrounding the individual assets comprising the Collateral Assets and, as a result, there can be no assurance that the payments on the Collateral Assets may not be subject to withholding taxes imposed by the United States of America or another jurisdiction. In that event, if the obligors of such Collateral Assets were not then required to make "gross-up" payments that cover the full amount of any such withholding taxes, the amounts available to make payments on, or distributions to, the Holders of the Securities would accordingly be reduced. There can be no assurance that remaining payments on the Collateral would be sufficient to make timely payments of interest and payment of principal at the Stated Maturity of each Class of the Notes and, consequently, to make any payments on the Income Notes on the Stated Maturity.

In the event that any withholding tax is imposed on payments on the Securities, the Holders of such Securities will not be entitled to receive “grossed-up” amounts to compensate for such withholding tax. In addition, upon the occurrence of a Tax Event, the issuer will refrain in whole but not in part, at the discretion of the Issuer, from making any distributions, if any, to the Holders of such Securities that would be required to be done in order to satisfy the requirements of a Tax Event.

Lack of Operating History. Each of the Issuer is a recently incorporated entity and has no substantial prior operating history. Accordingly, neither of the Issuers has a performance history for a prospective investor to consider.

Investment Company Act. Neither of the Issuer has registered with the United States Securities and Exchange Commission (the "SEC") as an investment company pursuant to the Investment Company Act. The Issuer has not so registered in reliance on an exception for investment companies organized under the laws of a jurisdiction other than the United States whose Investors resident in the United States are solely Qualified Purchasers and which do not make a public offering of their securities in the United States. Counsel for the Issuer will opine, in connection with the sale of the Securities by the Initial Purchaser, that neither the Issuer nor the Co-Issuer is on the Closing Date an investment company required to be registered under the Investment Company Act (assuming, for the purposes of such opinion, that the Securities are sold by the Initial Purchaser in accordance with the terms of the Purchase Agreement). No opinion or no-action position has been requested of the SEC.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825425
If the SEC or a court of competent jurisdiction were to find that the issuer or the Co-issuer is required, but in violation of the Investment Company Act had failed to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the issuer or the Co-issuer could sue the issuer or the Co-issuer, as the case may be, and recover any damages caused by the violation; and (iii) any contract to which the issuer or the Co-issuer, as the case may be, is a party that is made in, or whose performance involves a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the issuer or the Co-issuer be subjected to any or all of the foregoing, the issuer or the Co-issuer, as the case may be, would be materially and adversely affected.

The Securities are only permitted to be transferred to Qualified Institutional Buyers in transactions meeting the requirements of Rule 144A and, solely in the case of the Income Notes, to Accredited Investors having a net worth of not less than U.S.$10 million in transactions exempt from registration under the Securities Act, or in an offshore transaction, to a non-U.S. Person, complying with Rule 903 or Rule 904 of Regulation S. The Securities being offered in the United States are being offered only to persons that are also Qualified Purchasers. Any non-permitted transfer will be voided and the issuer can require the transferee to sell its Securities to a permitted transferee, with such sale to be effected within 20 days after notice of such sale requirement is given. If such sale is not effected within such 20 day period, upon written direction from the issuer, the Trustee will be authorized to conduct a commercially reasonable sale of such Securities to a permitted transferee and pending such transfer, no further payments will be made in respect of such Securities or any beneficial interest therein. See “Description of the Securities—Form of the Securities” and “Notice to Investors.”

Credit Ratings. Credit ratings of debt securities represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value, therefore, they may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial condition may be better or worse than a rating indicates. Credit ratings of non-investment grade and comparable unrated obligations included in the Collateral Assets and Reference Obligations may be less reliable indicators of investment quality than would be the case with investments in investment-grade debt obligations.

Implementation of Securities Regulation in Europe. As part of a coordinated action plan for harmonization of securities markets in Europe, the European Parliament and the Council of the European Union has adopted a series of directives, including the Prospectus Directive (2003/71/EC) and the Transparency Directive (2004/109/EC) and the Market Abuse Directive (2003/6/EC) which aim to ensure investor protection and market efficiency in accordance with high regulatory standards across the European community. Pursuant to such directives member states have introduced, or are in the process of introducing, legislation into their domestic markets to implement the requirements of these directives. The introduction of such legislation has affected and will effect the regulation of issuers of securities that are offered to the public or admitted to trading on a European Union regulated market and the nature and content of disclosure required to be made in respect of such issuers and their related securities. The listing of Notes or Income Notes on any European Union stock exchange would subject the issuer to regulation under these directives although the requirements applicable to the issuer are not yet fully clarified. The indenture will not require the issuer to apply for, list or maintain a listing for any Class of Notes or Income Notes on a European Union stock exchange if compliance with these directives (or other requirements adopted by the European Parliament and Council of the European Union or a relevant member state) becomes burdensome. Should the Notes or Income Notes be delisted from any exchange, the ability of the holders of such Securities to sell such Securities in the secondary market may be negatively impacted.

EU Savings Directive. If following implementation of European Council Directive 2003/49/EC, a payment were to be made or collected through a member state that opted for a withholding system and an amount of or in respect of tax were to be withheld from that payment, neither the Issuer nor the paying

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-021825426
agent nor any other person would be obliged to pay additional amounts as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a paying agent following implementation of this Directive, the issuer will be required to maintain a paying agent in a member state that will not be obliged to withhold or deduct tax pursuant to the Directive.

Certain Conflicts of Interest. Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Collateral Manager, its affiliates and their respective clients and employees and from the overall investment activity of the Initial Purchaser, including in other transactions with the Issuer, including, without limitation, acting as counterparty with respect to any Cashflow Swap Agreement. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Collateral Manager. Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Collateral Manager, its affiliates and their respective clients and employees. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Collateral Manager and/or its affiliates have ongoing relationships with, render service to, finance and engage in transactions with, and may own debt or equity securities issued by issuers of certain of the Collateral Assets. The Collateral Manager and its affiliates may invest on behalf of themselves and other clients in securities that are senior or subordinated to, or have interests different from or advance to, the Collateral Assets. The interests of such parties may be different than or adverse to the interests of the Holders of the Securities. In addition, such persons may possess information relating to the Collateral Assets which is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Assets and performing the other obligations under the Collateral Management Agreement. Such persons will not be required (and may not be permitted) to share such information or pass it along to the Issuer, the Collateral Manager or any Holder of any Security. Neither the Collateral Manager nor any of such persons will have liability to the Issuer or any Holder of any Security for failure to disclose such information or for taking, or failing to take, any action based upon such information.

In addition, the Collateral Manager and/or any of its affiliates may engage in any other business and furnish investment management and advisory services to others which may include, without limitation, serving as consultant or advisor to, investing in, lending to or otherwise affiliated with or have other ongoing relationships with, other entities organized to issue collateralized debt obligations secured by assets similar to the Collateral Assets, and other trusts and pooled investments vehicles that acquire investments that would otherwise be available for investment by the Manager, or otherwise deal with securities issued by issuers that would be suitable investments for the Issuer. In the course of monitoring the Collateral Assets held by the Issuer, the Collateral Manager may consider its relationships with other clients (including entities whose securities are pledged to secure the Notes) and its affiliates. In providing services to other clients, the Collateral Manager and its affiliates may recommend activities that would compete with or otherwise adversely affect the Issuer. In addition, the Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, that may be the same or similar to those affected on behalf of the Issuer, and the Collateral Manager may furnish advisory services to others who may have investment holdings similar to those followed by the Issuer and who may own securities of the same class, or which are the same type as, the Collateral Assets. Under the terms of the Collateral Management Agreement, the Collateral Manager may take whatever action it deems necessary or advisable in the best interest of the Issuer and its Holders under the same circumstances. The Collateral Manager and/or its affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for their respective accounts or for another entity, including other collateralized debt obligation vehicles, at the same time as it is purchasing or disposing of investments for the Issuer. Accordingly, conflicts may arise regarding the allocation of sale opportunities.
The Collateral Manager may aggregate sales of securities placed with respect to the Collateral Assets with similar sales being made simultaneously for other clients or other accounts managed by the Collateral Manager or with accounts of the affiliates of the Collateral Manager, if in the Collateral Manager's reasonable business judgment such aggregation will result in an overall economic benefit to the Issuer, taking into consideration the advantageous selling price, brokerage commission and other expenses. However, no provision of the Collateral Management Agreement requires the Collateral Manager or its affiliates to execute orders as part of concurrent authorizations or to aggregate sales. Nevertheless, the Collateral Manager may, in the allocation of business, take into consideration research and other brokerage services furnished to the Collateral Manager or its affiliates by brokers and dealers. Such services may be used by the Collateral Manager in connection with the Collateral Manager's other advisory services or investment operations.

No provision in the Collateral Management Agreement prevents the Collateral Manager or any of its affiliates from rendering services of any kind to the Issuer of any Collateral Assets and its affiliates, the Owners, the Holders of the Securities, the Cashflow Swap Counterparty or any other entity, without prejudice to the generality of the foregoing, the Collateral Manager and its affiliates, directors, officers, employees and agents may, among other things: (a) serve as general partner, adviser, sponsor or manager of partnerships or companies organized to issue collateralized bond or loan obligations secured by assets similar to the Collateral Assets, directors (whether supervisory or managing), partners, officers, employees, agents, nominees or signatories for an issuer of any Collateral Asset; (b) receive fees for services rendered to the Issuer of any Collateral Asset or any affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management Agreement to the Issuer or its Affiliates and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any Issuer of any Collateral Assets; (e) serve as a member of any "creditors' board" or "creditors' committee" with respect to any Collateral Assets which has become or may become a Defaulted Obligation; or with respect to any commercial mortgage loan securing any Collateral Assets, the respective borrower for any such commercial mortgage loan; (f) own or make loans to any borrower or affiliate of any borrower on any of the commercial mortgage loans securing the Collateral Assets; (g) invest, or have already invested, in obligations and/or other securities that are identical to or senior to, or have interests different from or adverse to, the Collateral Assets; (h) make investments on their own behalf without offering such investment opportunities to the Issuer or informing the Issuer of any investments before engaging in any investment for themselves; (i) recommend or effect direct trades between the Issuer and the Collateral Manager or a Collateral Manager Affiliate or funds or accounts for which the Collateral Manager or an Affiliate serve as Collateral Manager, acting as principal or agent, subject to applicable legal requirements; (j) invest in obligations that would be appropriate as Collateral and have ongoing relationships with, render services to or engage in transactions with, companies whose obligations are included in the Collateral and may own equity or debt securities by Issuers of and other obligations of Collateral Assets; and (k) enter into agency cross-transactions where the Collateral Manager and/or the Collateral Management Affiliates acts as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law. Under the terms of the Collateral Management Agreement, the Collateral Manager will be permitted to take whatever action is in the Collateral Manager's best interest regardless of the impact on the Collateral Assets.

On the Closing Date it is expected that the Collateral Manager or one or more clients or affiliates of the Collateral Manager will purchase approximately 50% of the aggregate principal amount of the income Notes and 100% of the aggregate outstanding amount of the Class D Notes and may purchase Notes and/or income Notes on or after the Closing Date. This Collateral Manager or such clients or affiliates may at times also own other Securities. There is no assurance that the Collateral Manager or any of such clients or affiliates will continue to hold any or all of the Notes or the Income Notes (including the Income Notes and the Class D Notes purchased on the Closing Date) or that they will continue to hold interests in any securities related to the Collateral Assets. For so long as Greywolf is the Collateral Manager and any funds managed by Greywolf continue to hold any Income Notes, any Collateral Management Fees and other fees otherwise payable to the Collateral Manager hereunder shall be paid by the Issuer in the following order: (i) first, to such funds managed by Greywolf (on a pro rata basis among such funds), in an amount equal to the product of (a) such Collateral Management Fees and (b) a fraction the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825428
numerator of which is the notional amount of the Income Notes held by such funds managed by Greywolf and the denominator of which is the aggregate notional amount of all the Income Notes and, if any, to Greywolf.

Greywolf or any of its affiliates or subsidiaries will be permitted to exercise all voting rights with respect to any Securities that they may acquire (other than with respect to a vote regarding the removal of the Collateral Manager or the termination or assignment of the Collateral Management Agreement). The interests of such persons may be different from or adverse to the interests of the other Holders of Securities.

The Collateral Manager, in its sole discretion, may, from time to time, waive all or any portion of the Collateral Management Fee, and may defer all or any portion of the Collateral Management Fee. Any deferred Collateral Management Fees will become payable on the next Payment Date (and, if not paid on such Payment Date, on one or more subsequent Payment Dates) in accordance with the Priority of Payments.

Members of the board of directors of the Issuer who are not affiliated with the Collateral Manager or their delegates or other authorized representatives of the Issuer will have the responsibility for approving any transactions between the Issuer and the Collateral Manager or its affiliates involving significant conflicts of interest (including principal trades). More particularly, directors unaffiliated with the Collateral Manager or any delegate designated by such directors will be responsible for approving any principal transactions for which Issuer consent is required pursuant to Section 206(3) of the Advisers Act.

In addition, with the prior authorization of the Issuer, which has been given and can be revoked at any time, the Collateral Manager and/or its affiliates may enter into agency cross-transactions where the Collateral Manager and/or its affiliates acts as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law, in which case the Collateral Manager or any such affiliate will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

The Initial Purchaser. Various potential and actual conflicts of interest may arise from the conduct by the Initial Purchaser and its affiliates in other transactions with the Issuer, including, without limitation, acting as counterparty with respect to any Cashflow Swap Agreement and Synthetic Securities. The Initial Purchaser and/or its affiliates will act as an Initial Synthetic Security Counterparty and an affiliate of the Initial Purchaser will act as the Initial Cashflow Swap Counterparty. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

It is expected that Goldman, Sachs & Co. and/or its affiliates and selling agent will have placed or underwritten certain of the Collateral Assets at original issuance, own equity or other securities of issuers of or obligors on Collateral Assets and will have provided investment banking services, advisory, banking and other services to issuers of Collateral Assets. The Issuer may invest in the securities of companies affiliated with Goldman, Sachs & Co. and/or any of its affiliates or in which Goldman, Sachs & Co. and/or any of its affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of Goldman, Sachs & Co. and/or any of its affiliates' own investments in such companies. In addition, it is expected that one or more affiliates of Goldman, Sachs & Co. may also act as counterparty with respect to one or more Synthetic Securities and may act as a counterparty with respect to total return swaps with certain investors in the Notes or the Income Notes. The Issuer may invest in money market funds that are managed by Greywolf or Goldman, Sachs & Co. or any of their affiliates, provided that such money market funds otherwise qualify as Eligible Investments. Goldman, Sachs & Co. and/or a consolidated entity controlled by Goldman, Sachs & Co. or an affiliate thereof intends to provide "warehouse" financing to the Issuer prior to the Closing Date. See ""Collateral Accumulation."

There is no limitation or restriction on the Initial Purchaser or any of its affiliates with regard to acting as investment advisor, initial purchaser or placement agent (or in a similar role) to other parties or persons. This and other future activities of the Initial Purchaser and/or its respective affiliates may give rise to additional conflicts of interest.

59

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825429
Footnote Exhibits - Page 5519

Anti-Money Laundering Provisions. Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), signed into law on and effective as of October 26, 2001, imposes anti-money laundering obligations on different types of financial institutions, including banks, broker dealers and investment companies. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "Treasury") to prescribe regulations to define the types of investment companies subject to the USA PATRIOT Act and the related anti-money laundering obligations. It is not clear whether Treasury will require entities such as the Issuer to enact anti-money laundering policies. It is possible that Treasury will promulgate regulations requiring the Issuer or the Initial Purchaser or other service providers to the Issuers, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Notes and/or the Income Notes. Such legislation and/or regulations could require the Issuers to implement additional restrictions on the transfer of the Notes and/or the Income Notes. As may be required, the Issuer reserves the right to require such information and take such actions as are necessary to enable it to comply with the USA PATRIOT Act.

The Issuer. The Issuer is a recently incorporated Cayman Islands exempted limited liability company and has no substantial prior operating history. The Issuer will have no significant assets other than the Collateral Assets, the Default Swap Collateral Account, Eligible Investments, rights under the Cashflow Swap Agreement and certain other accounts and agreements entered into as described herein, and proceeds thereof, all of which have been pledged to the Trustee to secure the Issuer's obligations to the Holders of the Notes and the Cashflow Swap Counterparty. The Issuer will not engage in any business activity other than the issuance and sale of the Notes and the Income Notes as described herein, the issuance of the Ordinary Shares, the acquisition and disposition of the Collateral Assets and Eligible Investments as described herein, the entering into of, and the performance of its obligations under, the Indenture, the Cashflow Swap Agreement, the Account Control Agreement, the Collateral Management Agreement, the Collateral Administration Agreement, the Administration Agreement, the Fiscal Agency Agreement, the Deposit Agreement, any other applicable Transaction Document, the pledge of the Collateral as security for its obligations or in respect of the Notes or otherwise for the benefit of the Secured Parties, certain activities conducted in connection with the payment of amounts in respect of the Notes and the Income Notes and the management of the Collateral and other activities incidental to the foregoing. Income derived from the Collateral Assets and other Collateral will be the Issuer's only source of cash.

The Co-Issuer. The Co-Issuer is a newly incorporated Delaware corporation and has no prior operating history. The Co-Issuer does not have and will not have any significant assets. The Co-Issuer will not engage in any business activity other than the co-issuance of the Class B Notes, the Class A Notes, the Class B Notes and the Class C Notes.

For. See "Income Tax Considerations."

ERISA. See "ERISA Considerations."

DESCRIPTION OF THE SECURITIES

The Income Notes will be constituted by the deed of covenant executed by the Issuer on March 27, 2007, the "Deed of Covenant") and subject to the terms and conditions thereof (the "Terms and Conditions") and the Income Notes will be issued pursuant to the Fiscal Agency Agreement. The following summary describes certain provisions of the Securities, the Indenture, the Fiscal Agency Agreement and the Deed of Covenant. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Securities, the Indenture, the Fiscal Agency Agreement and the Deed of Covenant. Copies of the Indenture may be obtained by prospective purchasers of the Notes upon request in writing to the Trustees at The Bank of New York, 101 Barclay Street, Floor 2E, New York, New York, 10288, Attention: CDO Transaction Management Group – Timberwolf I, fax (212) 715-3155 and, so long as any Notes and/or Income Notes are listed on a stock exchange, the Indenture will be available for inspection free of charge from the office of the Listing and Paying Agent. Copies of the Fiscal Agency Agreement and the Issuer's Memorandum and Articles of Association may be obtained by prospective purchasers of Notes and Income Notes upon request in

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825430
Footnote Exhibits - Page 5520

writing to the Fiscal Agent at The Bank of New York, London Branch, One Canada Square, London E14 5AL, United Kingdom. Fax +44 20 7964 6369, phone +44 20 7961 7073. Attention: Corporate Trust Administration.

Status and Security

The Notes (other than the Class D Notes) will be limited recourse obligations of the Issuers and the Class D Notes and the Income Notes will be limited recourse obligations of the Issuer, secured as described below. The Income Notes will be debt obligations of the Issuer and will not be secured under the terms of the Indenture and will only be entitled to receive amounts available for payment to the Holders of the Income Notes after payment of all amounts payable prior thereto under the Priority of Payments. The Class S-1 Notes will be senior in right of payment on each Payment Date to the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes to the extent provided in the Priority of Payments. The Class S-2 Notes will be senior in right of payment on each Payment Date to the Class A-2 Notes (provided, that payments of interest on the Class S-2 Notes and the Class A Notes will be paid pro rata), the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes to the extent provided in the Priority of Payments. The Class A-1 Notes will be senior in right of payment on each Payment Date to the Class A-2 Notes (provided, that payments of interest on the Class A Notes will be paid pro rata), the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes to the extent provided in the Priority of Payments. Payments of principal on the Class S-2 Notes and the Class A-1 Notes will be paid as described in the Priority of Payments. The Class A-2 Notes will be senior in right of payment on each Payment Date to the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes to the extent provided in the Priority of Payments. The Class B Notes will be senior in right of payment on each Payment Date to the Class C Notes, the Class D Notes and the Income Notes to the extent provided in the Priority of Payments. The Class C Notes will be senior in right of payment on each Payment Date to the Class D Notes and the Income Notes to the extent provided in the Priority of Payments. The Class D Notes will be senior in right of payment on each Payment Date to the Class D Notes and the Income Notes to the extent provided in the Priority of Payments. Payments of principal on the Class A-1 Notes will be paid in accordance with the Class A-1 Note Payment Sequence. See "Priority of Payments."

Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit and security of the Trustee for itself and on behalf of the Noteholders, the Fiscal Agent, the Collateral Administrator, the Collateral Manager, the Cashflow Swap Counterparty and the Synthetic Security Counterparty (collectively, the "Secured Parties"), a first priority security interest in (i) the Collateral Assets; (ii) the Collection Account; (iii) the Payment Account; (iv) the Cashflow Swap Termination Receipts Account, the Cashflow Swap Replacement Account and the Cashflow Swap Collateral Account (subject, in each case, to the rights of the Cashflow Swap Counterparty); (v) the Expense Reserve Account; (vi) the Collateral Account; (vii) the Synthetic Security Collateral Account and the Default Swap Collateral Account (subject, in each case, to the rights of the Synthetic Security Counterparty) (items (i) through (vi), the "Accounts"); (viii) Eligible Investments; (ix) the Issuer’s rights under the Cashflow Swap Agreement; (x) the Issuer’s rights under the Collateral Management Agreement and (xi) certain other property (collectively, the "Collateral").

Payments of interest on and principal of the Notes and payments on the Income Notes will be made solely from the proceeds of the Collateral in accordance with the Priority of Payments.

The aggregate amount that will be available for payments required or permitted to be made on the Notes and of certain expenses of the Issuers, the Trustee and the Agents on any Payment Date will be the total amount of payments and collections in respect of the Collateral (including the proceeds of the sale of any Collateral) received during the period (a "Due Period") ending on (and including) the fourth Business Day prior to such Payment Date (or, in the case of a Due Period that is applicable to the Payment Date relating to the Stated Maturity of any Note, ending on (and including) the day preceding such Payment Date) (provided, that if the fourth Business Day prior to such Payment Date occurs before the 25th day of any calendar month, such Due Period shall end on, and include, the 25th day of such calendar month (or if the 25th day is not a Business Day, the immediately following Business Day)), and

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825431
commencing immediately following the fourth Business Day prior to the preceding Payment Date (or, in the case of the Due Period relating to the first Payment Date, on the Closing Date) (provided, that if a Due Period ends on the 25th day of a calendar month, the next succeeding Due Period shall commence immediately following the 25th day of such calendar month (or if such day is not a Business Day, the immediately following Business Day)) and any such amounts received in prior Due Periods that were not disbursed on a previous Payment Date.

Interest and Distributions

The Class S-1 Notes will bear interest during each Interest Accrual Period at the Class S-1 Note Interest Rate for such Interest Accrual Period. The Class S-2 Notes will bear interest during each Interest Accrual Period at the Class S-2 Note Interest Rate for such Interest Accrual Period. The Class A-1a Notes will bear interest during each Interest Accrual Period at the Class A-1a Note Interest Rate for such Interest Accrual Period. The Class A-1b Notes will bear interest during each Interest Accrual Period at the Class A-1b Note Interest Rate for such Interest Accrual Period. The Class A-2 Notes will bear interest during each Interest Accrual Period at the Class A-1b Note Interest Rate for such Interest Accrual Period. The Class A-1b Notes will bear interest during each Interest Accrual Period at the Class A-2 Note Interest Rate for such Interest Accrual Period. The Class A-2 Notes will bear interest during each Interest Accrual Period at the Class A-2 Note Interest Rate for such Interest Accrual Period. The Class C Notes will bear interest during each Interest Accrual Period at the Class C Note Interest Rate for such Interest Accrual Period. The Class D Notes will bear interest during each Interest Accrual Period at the Class D Note Interest Rate for such Interest Accrual Period. Interest with respect to the Class S Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes will be payable quarterly in arrears, commencing on the September 2007 Payment Date. LIBOR for the first Interest Accrual Period with respect to the Notes will be determined as of the second Business Day preceding the Closing Date. Calculations of interest on the Notes will be made based on a 360-day year and the actual number of days in each Interest Accrual Period. The Holders of the Income Notes will receive on each Payment Date any amount of Proceeds that are available for distribution thereto in accordance with the Priority of Payment on such Payment Date. The "Interest Accrual Period," is with respect to the Notes and any Payment Date, the period commencing on and including the immediately preceding Payment Date (or the Closing Date in the case of the first Interest Accrual Period) and ending on and including the day immediately preceding such Payment Date.

If funds are not available on any Payment Date to pay the full amount of Interest on the Class C Notes, or to the extent interest that is due on such Notes is not paid in order to satisfy certain Coverage Tests, the interest not paid (the "Class C Deferred Interest"), will not be due and payable on such Payment Date, but will be added to the principal amount of the Class C Notes and, to the extent lawful and enforceable, thereafter shall accrue interest at the Class C Note Interest Rate. If funds are not available on any Payment Date to pay the full amount of Interest on the Class D Notes, or to the extent interest that is due on such Notes is not paid in order to satisfy certain Coverage Tests, the interest not paid (the "Class D Deferred Interest"), will not be due and payable on such Payment Date, but will be added to the principal amount of the Class D Notes and, to the extent lawful and enforceable, thereafter shall accrue interest at the Class D Note Interest Rate. So long as any Class S Notes, Class A Notes or Class B Notes are outstanding, the failure to pay Interest to the Holders of the Class C Notes will not be an Event of Default under the Indenture and so long as any Class S Notes, Class A Notes, Class B Notes or Class C Notes are outstanding, the failure to pay Interest to the Holders of the Class D Notes will not be an Event of Default under the Indenture. See "—Priority of Payments" and "—The Indenture and the Fiscal Agency Agreement—Events of Default."

Interest will cease to accrue on each Note from the date of repayment in full or Stated Maturity, or in the case of partial repayment, on such part, unless payment of principal is improperly withheld or unreasonably deferred or otherwise made with respect to such payments of principal. See "—Principal." To the extent lawful and enforceable, interest on any Defeasance Interest on each Class of Notes and/or thereto will accrue at the interest rate applicable to such Class of Notes, until paid as provided herein. "Defeasance Interest" means any interest due and payable in respect of (i) any Class S Note, Class A Note or Class B
Note or (ii) there are no Class S Notes, Class A Notes or Class B Notes outstanding, any Class C Note or if there are no Class S Notes, Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note which, in any such case, is not punctually paid or duly provided for on the applicable Payment Date or at Stated Maturity, as the case may be.

Determination of LIBOR

For purposes of calculating each of the Note Interest Rates, the Issuers will appoint as agent The Bank of New York (in such capacity, the “Note Calculation Agent”). LIBOR shall be determined by the Note Calculation Agent in accordance with the following provisions:

(i) On the second Business Day prior to the commencement of an Interest Accrual Period (each such day, a “LIBOR Determination Date”), LIBOR (“LIBOR”) shall equal the rate, as obtained by the Note Calculation Agent, for Eurodollar deposits for, with respect to the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, a three-month period (or, in the case of a designated initial payment period of less than 25 days or, in the case of the first Interest Accrual Period, the linear interpolation thereof, calculated in accordance with generally acceptable methodology) which appears on Bridge Telerate Page 3750 (as Telerate is defined in the International Swaps and Derivatives Association, Inc. Annex to the 2000 ISDA Definitions (June 2000 version)), or such page as may replace Bridge Telerate Page 3750, as of 11:00 a.m. (London time) on such LIBOR Determination Date.

(ii) If, on any LIBOR Determination Date, such rate does not appear on Bridge Telerate Page 3750, or such page as may replace Bridge Telerate Page 3750, the Note Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks for leading banks in the London interbank market for Eurodollar deposits for, with respect to the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, a three month period (or, in the case of a designated initial payment period of less than 25 days or, in the case of the first Interest Accrual Period, the linear interpolation thereof, calculated in accordance with generally acceptable methodology) in an amount determined by the Note Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (London time) on the LIBOR Determination Date made by the Note Calculation Agent to the Reference Banks. If, on any LIBOR Determination Date, at least two of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any LIBOR Determination Date, only one or none of the Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in the City of New York selected by the Note Calculation Agent (after consultation with the Issuer or the Collateral Manager on behalf of the Issuer) are quoting on the relevant LIBOR Determination Date for Eurodollar deposits for the applicable period in an amount determined by the Note Calculation Agent (after consultation with the Issuer or the Collateral Manager on behalf of the Issuer) by reference to the principal London offices of leading banks in the London interbank market, provided, however, that if the Note Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, LIBOR shall be LIBOR as determined on the most recent date LIBOR was available. As used herein, “Reference Banks” means four major banks in the London interbank market selected by the Note Calculation Agent (after consultation with the Issuer or the Collateral Manager on behalf of the Issuer).

As soon as possible after 11:00 a.m. (New York time) on each LIBOR Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following each LIBOR Determination Date, the Note Calculation Agent will cause notice of each of the Note Interest Rates for the next Interest Accrual Period and the amount of interest for such Interest Accrual Period payable in respect of each U.S.$1,000 principal amount of the Class S-1 Notes (the “Class S-1 Note Interest Amount”), of the Class S-2 Notes (the “Class S-2 Note Interest Amount”), of the Class A-1a Notes (the “Class A-1a Note Interest Amount”), of the Class A-1b Notes (the “Class A-1b Note Interest Amount”), of the Class A-1c Notes (the “Class A-1c Note Interest Amount”), of the Class A-1d Notes (the “Class A-1d Note Interest Amount”), of the Class A-2 Notes (the “Class A-2 Note Interest Amount”), of the Class B Notes (the “Class B Note Interest Amount”), of the Class C Notes (the “Class C Note Interest Amount”), and of the Class D Notes (the “Class D Note Interest Amount”) (each rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date.
to be communicated to the Issuers, DTC, Euroclear, Clearstream, the Note Paying Agents, the Trustee, the Collateral Manager, the Securities Intermediary and the Listing and Paying Agent for further delivery to any stock exchange so long as any of the Notes are listed thereon. In the last case, the Note Calculation Agent will furnish such information as soon as possible after its determination to the Listing and Paying Agent as long as any Notes are listed on any stock exchange. The Note Calculation Agent will also specify to the Issuers and the Collateral Manager the quotations upon which each of the Note Interest Rates are based. The Note Calculation Agent shall notify the Issuers and the Collateral Manager before 12:00 p.m. (New York time) on any LIBOR Determination Date if it has not determined and is not in the process of determining the applicable Note Interest Rates and Note Interest Amounts (collectively, the "Interest Calculations"), together with its reasons therefor. With respect to the Notes, "Business Day" means any day other than (x) Saturday or Sunday or (y) a day on which commercial banking institutions are authorized or obliged by law, regulation or executive order to close in New York, New York, London, England or in the city of the Trustee’s corporate trust office (initially, The Bank of New York, 101 Barclay Street, Floor 11E, New York, New York, 10286; Attention: CDO Transaction Management Group); provided, however, that for the sole purpose of determining LIBOR, "Business Day" shall be defined as any day on which dealings in deposits in U.S. Dollars are transacted in the London Interbank market and provided further, that to the extent action is required of the Listing and Paying Agent, the location of the Listing and Paying Agent shall be considered in determining the "Business Day" for purposes of determining when such Listing and Paying Agent action is required.

The Note Calculation Agent may be removed by the Issuers at the direction of the Collateral Manager at any time. If the Note Calculation Agent is unable or unwilling to act as such or is removed by the Issuers, or if the Note Calculation Agent fails to determine the applicable Interest Calculations for any Interest Accrual Period, the Issuers will promptly appoint as a replacement Note Calculation Agent a leading bank which is engaged in transactions in Eurodollar deposits in the international Eurodollar market and which does not control or is not controlled by or under common control with the Issuers or their affiliates. The Note Calculation Agent may not resign its duties without a successor having been duly appointed. In addition, for so long as any Notes are listed on any stock exchange and the rules of such exchange require, notice of the appointment of any Note Calculation Agent will be furnished to such stock exchange. For so long as any of the Notes remain outstanding, there will at all times be a Note Calculation Agent for the purpose of calculating the applicable Interest Calculations. The determination of the applicable Interest Calculations by the Note Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

Payments on Income Notes

On each Payment Date, the Holders of the Income Notes will be entitled to receive, as interest on the Income Notes, after payment of items ranking higher in accordance with the Priority of Payments, payments (if available) equal to amounts remaining after payment of all other senior amounts, payable in accordance with the Priority of Payments. Upon a Tax Redemption, Optional Redemption by Liquidation or the Payment Date, the Holders of the Income Notes will be entitled to receive any amounts remaining after distribution of the Liquidation Proceeds in accordance with the Priority of Payments. Upon an Optional Redemption by Refinancing, any Refinancing Proceeds remaining after the redemption of the Class or Classes of Notes to be redeemed in respect of any such Optional Redemption and the payment of any expense or fees in connection therewith will be characterized as Principal Proceeds and will be applied on the related Optional Redemption Date in accordance with the Priority of Payments.

Principal

The Notes (other than the Class S Notes and the Class A-1 Notes) and the Income Notes will mature on the Payment Date in December 2047 (the "Stated Maturity" with respect to the Notes (other than the Class S Notes and the Class A-1 Notes) and the Income Notes), the Class S Notes will mature on the Payment Date in September 2011 (the "Stated Maturity" with respect to the Class S Notes), the Class A-1a Notes and the Class A-1b Notes will mature on the Payment Date in December 2039 (the "Stated Maturity" with respect to the Class A-1a Notes and the Class A-1b Notes) and the Class A-1c Notes and the Class A-1d Notes will mature on the Payment Date in September 2044 (the "Stated Maturity" with respect to the Class A-1c Notes and the Class A-1d Notes).
1453

Footnote Exhibits - Page 5524

Principal will be payable on the Class S-1 Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in December 2007 in an amount equal to the Class S-1 Notes Amortizing Principal Amount with respect to such Payment Date and, if an Event of Default or Tax Event has occurred and is continuing or an Optional Redemption by Liquidation or successful Auction has occurred and the Collateral is being liquidated pursuant to the terms of the Indenture, the Class S-1 Notes will be paid in full prior to any distributions to any other Notes. Principal will be payable on the Class S-2 Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in December 2007 in an amount equal to the Class S-2 Notes Amortizing Principal Amount with respect to such Payment Date and, if an Event of Default or Tax Event has occurred and is continuing or an Optional Redemption by Liquidation or successful Auction has occurred and the Collateral is being liquidated pursuant to the terms of the Indenture, the Class S-2 Notes will be paid in full prior to any distributions to any other Notes (other than the Class S-1 Notes and the Class A-1 Notes). The Class S-2 Notes are subject to mandatory redemption if the Class A/B Overcollateralization Test is not satisfied on any date of determination. Principal will be payable on certain of the Securities on each Payment Date in accordance with the Priority of Payments.

On any Payment Date on which certain conditions are satisfied, principal will be paid to the Holders of the Class A Notes (for each Class A-1 Notes and the Class A-2 Notes, provided that principal on the Class A-1 Notes will be paid in accordance with the Class A-1 Note Payment Sequence, only in an amount required to increase (or maintain) the Class A Adjusted Overcollateralization Ratio to a specified target of 128.7%. After achieving and maintaining such target and minimum, the payment of remaining principal will shift to the Holders of the Class B Notes until such Holders have been paid an amount required to increase (or maintain) the Class B Adjusted Overcollateralization Ratio to a specified target of 110.6%. After achieving and maintaining such target level, the payment of remaining principal will shift to the Holders of the Class C Notes which will receive principal only in an amount required to increase (or maintain) the Class C Adjusted Overcollateralization Ratio to a specified target of 105.0%. After achieving and maintaining such target level, the payment of remaining principal will shift to the Holders of the Class D Notes which will receive principal only in an amount required to increase (or maintain) the Class D Adjusted Overcollateralization Ratio to a specified target of 102.7%. However, if the Net Outstanding Portfolio Balance is less than 5,000,000, then only Principal Proceeds received or held during the related Due Period will be paid, first, to the Class A-1 Notes in accordance with the Class A-1 Note Payment Sequence and then sequentially through the Class D Notes. The foregoing “shifting principal” method permits Holders of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes to receive payments of principal in accordance with the Priority of Payments while more senior Classes of Notes remain outstanding and permits distributions of Principal Proceeds to the Holders the Income Notes, to the extent funds are available in accordance with the Priority of Payments, while Notes are outstanding.

Subject to the availability of funds therefor in accordance with the Priority of Payments, if any of the Coverage Tests are not satisfied on any Determination Date, the Notes (other than the Class S-1 Notes) will be subject to mandatory redemption on the related Payment Date until paid in full. See “—Mandatory Redemption” and the Priority of Payments for a description of the order in which such Notes are paid in connection with the failure of a Coverage Test.

Stated Maturity of the Income Notes

On or prior to the date that is nine Business Days prior to the end of the Due Period applicable to the Stated Maturity of the Income Notes, the Collateral Manager will sell all remaining Collateral. The settlement dates for any such sales shall be no later than one Business Day prior to the end of such Due

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825435
Period. The proceeds of such sales will be paid to the Fiscal Agent after the payment of amounts senior to the Holders of the Income Notes in the Priority of Payments for deposit into the account maintained therefor by the Fiscal Agent (the "Income Note Payment Account") and payment to the Holders of the Income Notes as the redemption price for the Income Notes upon such payment (the "Income Notes Redemption Price"). Upon such payment, the issuer shall redeem the Income Notes.

**Auction**

Sixty days prior to the Payment Date occurring in September of each year (each, an "Auction Date") commencing on the September 2015 Payment Date, the Collateral Manager will take steps to conduct an auction (the "Auction") of the Collateral in accordance with procedures specified in the Indenture. If the Collateral Manager receives one or more bids from Eligible Bidders not later than ten Business Days prior to the Auction Date equal to or greater than the Minimum Bid Amount, the Issuer will sell the Collateral for settlement on or before the Fifth Business Day prior to such Auction Date and the Notes will be redeemed in whole on such Auction Date (any such date, an "Auction Payment Date"). If a successful Auction occurs, the Income Notes will also be redeemed in full. The Collateral Manager and its affiliates shall be considered Eligible Bidders. If the highest single bid on the entire portfolio of Collateral, or the aggregate amount of multiple bids with respect to individual items of Collateral, does not equal or exceed the Minimum Bid Amount or if there is a failure at settlement, then the redemption of Notes and the Income Notes on the related Auction Date will not occur.

The Notes will be redeemed following a successful Auction in accordance with the Priority of Payments at the applicable Redemption Price. The amount distributable as the final payment on the Income Notes following any such redemption will equal any amount remaining after the redemption of the Notes, the payment of any amounts due in connection with the termination of the Cashflow Swap Agreement and Synthetic Securities and the payment of all expenses in accordance with the Priority of Payments.

**Tax Redemption**

Subject to certain conditions described herein, the Securities may be redeemed by the Issuer at any time, in whole but not in part upon the occurrence of a Tax Event at their Redemption Prices at the written direction of, or with the written consent of, (i) the Holders of at least 66 2/3% of the aggregate outstanding notional principal amount of the affected Income Notes or (ii) the Holders of a Majority of any Class of Notes which, as a result of the occurrence of a Tax Event, has not received 100% of the aggregate amount of principal and interest or other amounts then due and payable on such Income Notes at their Redemption Date (such redemption, a "Tax Redemption"), provided that such redemption shall be effected unless the expected Liquidation Proceeds equal or exceed the sum of all amounts due as of the Redemption Date pursuant to clauses (i) through (ii) of the Priority of Payments for Final Payment Dates (the "Total Redemption Amount"), which includes the Redemption Prices of the Notes. If a Tax Redemption occurs, the Income Notes will be redeemed simultaneously.

In connection with a Tax Redemption, the Issuer may at any time, in whole or in part, sell the Collateral. Such sale shall not be required to be sold in a public offering, provided, however, that the Issuer does not sell Collateral at less than the prices prevailing at that time for similar Collateral. The Issuer may in its discretion sell any of the assets it may have acquired or have in its possession as a result of the issuance of the Income Notes or as a result of the redemption of the Income Notes or the exercise of the option to repurchase Income Notes or the delivery of the Collateral Manager's Collateral. The proceeds of any such sale shall be applied to the redemption of the Income Notes on a pro rata basis.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825436
The amount payable in connection with any Tax Redemption of the Notes will equal the Total Redemption Amount. The amount payable as a final payment on the Income Notes following any Tax Redemption will equal the Liquidation Proceeds, if any, remaining after the distribution of the Total Redemption Amount by the Issuer in accordance with the Priority of Payments.

Optional Redemption by Liquidation

Subject to certain conditions described herein, the Notes may be redeemed by the Issuer in whole but not in part at their Redemption Prices on any Payment Date or after the March 15th Payment Date, at the written consent of the Holders, if the Collateral Manager (or any Affiliate thereof) determines in good faith that the holders of a majority of the aggregate outstanding notional principal amount of the Notes are being redeemed, an "Optional Redemption" or an "Optional Redemption by Liquidation"; provided that no Optional Redemption by Liquidation shall be effected unless the expected Liquidation Proceeds will equal or exceed the Total Redemption Amount. In those cases in which the Holders of the Income Notes so elect to cause an Optional Redemption by Liquidation, the Income Notes will be redeemed simultaneously.

In connection with an Optional Redemption by Liquidation, the Issuer, through the Collateral Manager, shall notify the Trustee of such Optional Redemption by Liquidation and the Trustee in writing, to sell, in the manner determined by the Collateral Manager, and in accordance with the Indenture, any Collateral Asset and upon any such sale the Trustee shall receive the amount of such Collateral Assets pursuant to the Indenture; provided, however, that the Issuer may not direct the Trustee to sell (and the Trustee shall not be obligated to release the lien upon) any Collateral except in accordance with the procedures set forth in the Indenture including, without limitation, the requirement that the Collateral Manager shall have directed the Trustee to sell binding agreements or certificates evidencing that the Liquidation Proceeds anticipated from the disposition of the Collateral Assets and other assets of the Issuer will equal or exceed the Total Redemption Amount. Amounts available for distribution in connection with an Optional Redemption by Liquidation will be reduced by the amount of expected termination payments (other than Defaulted Synthetic Security Termination Payments) due to the Synthetic Security Counterparty.

The amount payable in connection with any Optional Redemption by Liquidation of the Notes will equal the Total Redemption Amount. The amount payable as the final payment on the Income Notes following any Optional Redemption by Liquidation will equal the Liquidation Proceeds, if any, remaining after the distribution of the Total Redemption Amount by the Issuer in accordance with the Priority of Payments.

Optional Redemption by Refinancing

Subject to certain conditions described herein, any Class of Notes may be redeemed by the Issuer from the net cash proceeds (the "Refinancing Proceeds") of a loan, credit or similar facility or an issuance of replacement notes, from or to one or more financial institutions or purchasers, in whole but not in part, on any Payment Date or after the Optional Redemption Date, at the written consent of the Holders, if the Collateral Manager (or any Affiliate thereof) determines in good faith that the holders of a majority of the aggregate outstanding notional principal amount of the Notes are being redeemed, an "Optional Redemption" or an "Optional Redemption by Refinancing". The Issuer will conduct an Optional Redemption by Refinancing only if the Collateral Manager determines that: (i) the principal amount of any obligations providing the funds to be applied in respect of such Optional Redemption by Refinancing is no greater than the principal amount of the Notes being redeemed; (ii) the stated maturity of the obligations providing the funds to be applied in respect of such Optional Redemption by Refinancing is no earlier than the Stated Maturity of the Notes being redeemed; (iii) the agreements relating to the Optional Redemption by Refinancing contain limited-recourse and non-petition provisions equivalent to those set forth in the Indenture; (iv) the proceeds from the Optional Redemption by Refinancing will be at least sufficient to pay in full the Aggregate Outstanding Amount of the applicable Notes; (v) amounts are expected to be available in accordance with the Priority of Payments on the Payment Date related to such Optional Redemption by Refinancing (a) to pay any fees and administrative expenses of the Issuer related to the Optional Redemption by Refinancing, (b) to pay any accrued and unpaid interest on the Notes being

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-021825437
redeemed (including Defaulted Interest and interest on Defaulted Interest) and (c) to pay any "Cashflow Swap Shortfall Amount" (as such term is defined in the Cashflow Swap Agreement) that have been paid by the Cashflow Swap Counterparty under the Cashflow Swap Agreement but that have not been paid to the Cashflow Swap Counterparty plus any accrued and unpaid interest thereon) pursuant to the Priority of Payments; (vii) the Refinancing Proceeds will be used (to the extent necessary) to redeem the applicable Notes; (viii) such Optional Redemption by Refinancing will not cause an Event of Default; and (viii) the Rating Agency Condition for each Rating Agency shall be satisfied (other than with respect to the Notes being redeemed). If any Holder of an Income Note to elect, such Holder may pay all or a portion (pro rata with any other electing Holder of an Income Note) of the amounts required under clause (v) above directly as opposed to requiring that such amounts be paid through funds available in accordance with the Priority of Payments on the Payment Date related to the Optional Refinancing by Refinancing. If any Holder of an Income Note so elects, the amounts due shall be remitted to the Trustee at least two days prior to the related Payment Date. Any such amounts paid by the Holders of the Income Notes will not be reimbursed by the Issuer. Any Refinancing Proceeds will be applied directly on the related Optional Redemption Date pursuant to the Indenture to redeem the Notes being refinanced without regard to the Priority of Payments described herein. Any Refinancing Proceeds that are not used to redeem the applicable Notes and to pay any administrative expenses of the Issuer will be treated as Principal Proceeds and will be applied in accordance with the Priority of Payments. None of the Issuers, the Trustee or any other Person will be liable to the Holders of the Income Notes for the failure to issue additional notes or to obtain secured loans.

Optional Redemption/Tax Redemption Procedure. To conduct an Optional Redemption or a Tax Redemption, the procedures set forth in the Indenture must be followed and any conditions precedent thereto must be satisfied.

Upon the occurrence of a Tax Redemption or an Optional Redemption, the Collateral Manager shall notify the Principal Note Paying Agent, the in the case of the Holders of the Notes or the Fiscal Agent, in the case of Holders of Income Notes, which in each case, shall notify the Trustee (with a copy to the Issuer) in writing no less than thirty (30) Business Days prior to the Redemption Date. Such notice shall be irrevocable. The Fiscal Agent shall, within three (3) Business Days after receiving such notice, notify the other Holders of the Income Notes of the receipt of such notice.

The Trustee will provide notice of any Optional Redemption or Tax Redemption by first-class mail, postage prepaid, mailed not less than ten (10) Business Days prior to the scheduled Tax Redemption Date or Optional Redemption Date, as applicable, to the Principal Note Paying Agent, to each Cashflow Swap Counterparty, to each Notes Paying Agent at each Note Register under the Indenture and to each Holder of an Income Note at such Holder's address in the income note register maintained pursuant to the Fiscal Agency Agreement and, as long as any Notes or Income Notes are listed on any stock exchange, the Trustee will also give notice to the Listing and Paying Agent.

Notes called for redemption must be surrendered at the office of any paying agent appointed under the Indenture in order to receive the Redemption Price. The initial paying agents for the Notes are The Bank of New York, as Principal Note Paying Agent, and, so long as any Notes are listed on a stock exchange, the Listing and Paying Agent.

Income Notes called for redemption must be surrendered at the office of any paying agent appointed under the Fiscal Agency Agreement in order to receive final payments, if any, thereon. The initial paying agent for the Income Notes is The Bank of New York, London Branch.

Any such notice of redemption may be withdrawn by the Issuers (with respect to the Notes) and the Issuer (with respect to the Income Notes) on or prior to the scheduled redemption date by written notice from the Issuers to the Collateral Manager, the Trustee, each Cashflow Swap Counterparty, the Rating Agencies, the Holders of the Notes and the Holders of the Income Notes, but only if the Collateral Manager shall be unable to deliver the sale agreement or agreements or certifications or, in the case of an Optional Redemption by Refinancing, the loan, credit or

Confidential Treatment Requested by Goldman Sachs
similar facility, required by the Indenture, in form satisfactory to the Trustee. The Cashflow Swap Agreement will not terminate upon notice to the respective counterparties of redemption until the time for withdrawal of notice has expired. The Collateral Manager shall be liable only for the failure to effect an Optional Redemption or Tax Redemption due to the Collateral Manager's gross negligence or willful misconduct. Notice of any such withdrawal shall be given at the issuer's expense by the Trustee to each Holder of a Security at the address appearing in the applicable registration maintained by the Note Transfer Agent under the Indenture of the Income Note Registrar under the Fiscal Agency Agreement, as applicable, by overnight courier guaranteeing next day delivery sent not later than the third Business Day prior to the scheduled redemption date. The Trustee or the Fiscal Agent will also give notice to the Listing and Paying Agent of the stock exchange if any Securities are then listed on a stock exchange.

Mandatory Redemption

On any Payment Date on which the Class A/B Overcollateralization Test was not satisfied on the last Business Day of the immediately preceding Due Period (such Business Day, the "Determination Date"), without giving effect to amounts payable under clauses (vii), (x) and (xi) of the Priority of Payments, Proceeds will be used to redeem the Class A-1 Notes in accordance with the Class A-1 Note Payment Sequence until the Class A-1 Notes have been paid in full, then to redeem the Class S-2 Notes until the Class S-2 Notes have been paid in full, then to redeem the Class A-2 Notes until the Class A-2 Notes have been paid in full and then to redeem the Class B Notes until the Class B Notes have been paid in full.

On any Payment Date on which the Class C Overcollateralization Test was not satisfied on the related Determination Date, without giving effect to amounts payable under clauses (ii) and (vi) of the Priority of Payments, Principal Proceeds will be used to redeem the Class A Notes (in accordance with the Class A-1 Note Payment Sequence), the Class B Notes and the Class C Notes, pro rata, until paid in full provided, however, that if the Net Outstanding Portfolio Collateral Balance is less than U.S. $500,000,000, then such amount shall be paid first, to the payment of principal of all outstanding Class A-1 Notes (pursuant to the Class A-1 Note Payment Sequence), second, to the payment of principal of all outstanding Class A-2 Notes, third, to the payment of principal of all outstanding Class B Notes and fourth, to the payment of principal of all outstanding Class C Notes, and any remaining Proceeds will be used to redeem the Class C Notes until the Class C Notes have been paid in full.

On any Payment Date on which the Class D Overcollateralization Test (together with the Class A/B Overcollateralization Test and the Class C Overcollateralization Test the "Coverage Tests") was not satisfied on the related Determination Date, Proceeds net of amounts payable under clauses (i) through (vi) of the Priority of Payments will be used to redeem the Class D Notes until the Class D Notes have been paid in full.

The Class S-1 Notes, the Class C Notes, the Class D Notes and the Income Notes will not be subject to mandatory redemption as a result of the failure of the Class A/B Overcollateralization Test. The Class B Notes, the Class D Notes and the Income Notes will not be subject to mandatory redemption as a result of the failure of any Class C Overcollateralization Test. The Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Income Notes will not be subject to mandatory redemption as a result of the failure of any Class D Overcollateralization Test.

Cancellation

All Notes and Income Notes that are redeemed or paid and surrendered for cancellation as described herein will forthwith be canceled and may not be reissued or resold.

Payments

Payments on any Payment Date in respect of principal of and Interest on the Notes issued as Global Notes will be made to the person in whose name the relevant Global Note is registered at the close of business on the Business Day prior to such Payment Date. For the Securities issued in definitive

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825499
form, payment on any Payment Date in respect of principal, interest and other distributions will be made to the person in whose name the relevant Security is registered as of the close of business 10 Business Days prior to such Payment Date. Payments on the Global Notes will be payable by wire transfer in immediately available funds to a U.S. Dollar account maintained by DTC or its nominee (in the case of the Global Notes) or each Holder (in the case of Individual Definitive Notes) to the extent practicable or otherwise, by U.S. Dollar check drawn on a bank in the United States sent by mail either to DTC or its nominee (in the case of the Global Notes), or to each Holder at its address appearing in the applicable register. Final payments in respect of principal on the Notes will be made only against surrender of the Notes at the office of any paying agent. None of the Issuers, the Securities Intermediary, the Trustee, the Collateral Manager, the Cashflow Swap Counterparty or any paying agent will have any responsibility or liability for any aspects of the records maintained by DTC or its nominee or any of its participants relating to, or for payments made thereby on account of beneficial interests in, a Global Note.

The Issuers expect that DTC or its nominee, upon receipt of any payment of principal or Interest in respect of a Global Note held by DTC or its nominee, will immediately credit participants’ accounts with payments in amounts proportionate to the respective beneficial interests in such Global Notes as shown on the records of DTC or its nominee. The Issuers also expect that payments by participants to owners of beneficial interests in such Global Notes held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

If any payment on a Security is due on a day that is not a Business Day, then payment will not be made until the next succeeding Business Day.

For so long as the Securities are listed on any stock exchange and the rules of such exchange so require, the Issuers will have a paying agent and a transfer agent (which shall be the Listing and Paying Agent) for such Securities and payments on and transfers or exchanges of interest in such Securities may be effected through the Listing and Paying Agent. In the event that the Listing and Paying Agent is replaced at any time during such period, notice of the appointment of any replacement will be given to the applicable stock exchange as long as any Securities are listed thereon.

Priority of Payments

With respect to any Payment Date, all Proceeds received on the Collateral during the related Due Period will be applied by the Trustees in the priority set forth below (the "Priority of Payments"). For purposes of the Priority of Payments, amounts paid as interest, fees or distributions on the Notes on a "pro rata" basis shall be pro rata based on the amount of Interest due on such Class or subclass of Notes or such other amounts paid as principal shall be paid pro rata based on the amount of principal outstanding on such Class or subclass of Notes and unless stated otherwise, Proceeds not constituting Principal Proceeds will be assumed to be applied prior to any Principal Proceeds.

Two Business Days prior to each Payment Date, to the extent there is a positive Aggregate Amortization Amount determined as of the related Determination Date, an amount (in cash or per amount, as applicable) equal to the Aggregate Amortization Amount shall be withdrawn by the Trustees from the Default Swap Collateral Account (and, by applying cash on deposit in the Default Swap Collateral Account received as principal, second, by liquidating Eligible Investments in the Default Swap Collateral Account and third, by releasing Default Swap Collateral from the Default Swap Collateral Account and utilizing such proceeds), in accordance with the Priority of Payments on the related Payment Date or in the case of the release of Default Swap Collateral, for deposit to the Collateral Account.

On the Business Day prior to each Payment Date (other than a Final Payment Date), the Trustee will transfer all funds then on deposit in the Collection Account (other than amounts received after the end of the related Due Period) into the Payment Account. On each Payment Date (other than a Final

70

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825440
Payment Date), amounts in the Payment Account and any payments received from the Cashflow Swap Counterparty since the previous Payment Date will be applied by the Trustees in the manner and order of priority set forth below:

i. to the payment of taxes and filing and registration fees (including, without limitation, annual return fees) owed by the Issuers, if any;

ii. to the payment of accrued and unpaid fees of the Trustee up to a maximum amount on any Payment Date equal to the greater of U.S. $12,062.50 and 0.0018125% of the Quarterly Asset Amount for the related Due Period (or, in the case of the first Due Period, as such amounts are adjusted based on the number of days in such Due Period);

iii. (a) first, to the payment of any remaining accrued and unpaid Administrative Expenses of the Issuers, excluding any indemnities (and legal expenses related thereto) payable by the Issuers first, to the Trustee, the Collateral Administrator and the Fiscal Agent and second, pro rata, to any other parties entitled thereto; (b) second, to the payment of any indemnities (and legal expenses related thereto) payable by the Issuers first, to the Trustee, the Collateral Administrator, the Fiscal Agent and second, pro rata, to any other parties entitled thereto; and (c) third, to the Expense Reserve Account the lesser of U.S.$50,000 and the amount necessary to bring the balance of such account to U.S.$200,000; provided, however, that the aggregate payments pursuant to subclauses (a) through (c) of this clause (iii) on any Payment Date shall not exceed U.S.$200,000 and the aggregate payments pursuant to subclauses (a) and (b) of this clause (iii) on the current and prior three Payment Dates shall not exceed U.S.$300,000;

iv. to the payment of (a) first, pro rata (based on amounts due) (i) amounts, if any, to be paid to the Cashflow Swap Counterparty pursuant to the Cashflow Swap Agreement including termination and partial termination payments (other than Defeased Cashflow Swap Terminations Payments payable under clause (viii) below) and including on any Payment Date related to an Optional Redemption by refinancing all "Cashflow Swap Amounts" that have been advanced by the Cashflow Swap Counterparty under the Cashflow Swap Agreement but that have not been repaid plus accrued and unpaid interest thereon, (ii) accrued and unpaid interest on the Class S-1 Notes (including Defeased Interest and Interest thereon) and (iii) beginning with the Payment Date occurring in December 2007, principal of the Class S-1 Notes in an amount equal to the Class S-1 Notes Amortizing Principal Amount until the Class S-1 Notes are paid in full and (b) second, if an Event of Default or a Tax Event shall have occurred and is continuing or an Optional Redemption by Liquidation or a successful Auction has occurred and the Collateral Assets are being liquidated pursuant to the terms of the Indenture, to the payment of principal of the Class S-1 Notes until the Class S-1 Notes are paid in full;

v. to the payment, pro rata based on the amount due (a), to the Collateral Manager of the accrued and unpaid Collateral Management Fee, plus interest due on any portion of such Collateral Management Fee not paid on a prior Payment Date at a rate equal to LIBOR (excluding any portion thereof included in any Cumulative Deferred Management Fees that were not paid on a previous Payment Date); provided, however, the Collateral Manager may at its option defer all or a portion of such Collateral Management Fee (the amount, if any, so deferred on such Payment Date to be included in the Current Deferred Management Fee on such date) and (b) to the payment to the Initial Purchaser of any unpaid Deferred Structuring Expense, plus interest due on any portion of the Deferred Structuring Expense not paid on the prior Payment Date at a rate equal to LIBOR;

vi. to the payment of (a) first, pro rata, (i) accrued and unpaid interest on the Class A-1 Notes (including any Defeased Interest and Interest thereon), (ii) accrued and unpaid interest on the Class A-2 Notes (including any Defeased Interest and Interest thereon),

Confidential Treatment Requested by Goldman Sachs
and (b) accrued and unpaid interest on the Class S-2 Notes (including any Defaulted Interest and any interest thereon), and (b) second, accrued and unpaid interest on the Class B Notes (including any Defaulted Interest and any interest thereon);

(vii) if the Class A/B Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to all payments of principal on such Payment Date (without giving effect to any payments pursuant to this clause (vii) or clauses (x) and (xii) below), first, to the payment of principal of all outstanding Class A-1 Notes in accordance with the Class A-1 Note Payment Sequence until the Class A-1 Notes are paid in full, second, to the payment of principal of all outstanding Class S-2 Notes until the Class S-2 Notes are paid in full, third, to the payment of principal of all outstanding Class A-2 Notes until the Class A-2 Notes are paid in full, and fourth, to the payment of principal of all outstanding Class B Notes until the Class B Notes are paid in full;

(viii) to the payment of (a) beginning with the Payment Date occurring in December 2007, principal of the Class S-2 Notes in an amount equal to the Class S-2 Notes Amortizing Principal Amount until the Class S-2 Notes are paid in full, and (b) if an Event of Default or a Tax Event shall have occurred and is continuing or an Optional Redemption by Liquidation or successful Auction has occurred and the Collateral Assets are being liquidated pursuant to the terms of the Indenture, principal of the Class S-2 Notes until the Class S-2 Notes are paid in full;

(ix) to the payment of accrued and unpaid interest on the Class C Notes (including Defaulted Interest and any interest thereon but not including Class C Deferred Interest);

(x) if the Class C Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to all payments of principal on such Payment Date (without giving effect to any payments pursuant to this clause (x) or clause (xii) below), then, (a) pro rata, Principal Proceeds only (i) to the payment of principal of all outstanding Class A-1 Notes in accordance with the Class A-1 Note Payment Sequence, (ii) to the payment of principal of all outstanding Class A-2 Notes, (iii) to the payment of principal of all outstanding Class B Notes and (iv) to the payment of principal of all outstanding Class C Notes, until the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, and the Class C Notes are paid in full, provided, however, that if the Net Outstanding Portfolio Collateral Balance is less than U.S.$602,000,000, then such amount shall be paid first, to the payment of principal of all outstanding Class A-1 Notes in accordance with the Class A-1 Note Payment Sequence until the Class A-1 Notes are paid in full, second, to the payment of principal of all outstanding Class A-2 Notes until the Class A-2 Notes are paid in full, third, to the payment of principal of all outstanding Class B Notes until the Class B Notes are paid in full and fourth, to the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full; and (b) any remaining Proceeds to the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full;

(xi) to the payment of accrued and unpaid interest on the Class D Notes (including Defaulted Interest and any interest thereon but not including Class D Deferred Interest);

(xii) to the payment of principal of first, pro rata, the Class A Notes up to the amount specified in clause (b)(ii) below (provided, that the Class A-1 Notes shall be paid in accordance with the Class A-1 Note Payment Sequence), second, the Class B Notes up to the amount specified in clause (b)(ii) below, third, the Class C Notes up to the amount specified in clause (b)(ii) below and fourth, the Class D Notes up to the amount specified in clause (b)(ii) below in an aggregate amount equal to the lesser of (a) Principal Proceeds received or held during the related Due Period, and (b) the sum of (1) the amount necessary to increase the Class A Adjusted Overcollateralization Ratio to or
maintain it at 126.7%, plus (3) the amount necessary to increase the Class D Adjusted Overcollateralization Ratio to or maintain it at 110.6%, plus (4) the amount necessary to increase the Class E Adjusted Overcollateralization Ratio to or maintain it at 102.7%, provided, however, that if the Net Outstanding Portfolio Collateral Balance is less than U.S.$300,000,000, then only the amount described in sub-clause (a) of this clause (xii) will be paid, such amount to be allocated, first, to the payment of principal of all outstanding Class A-1 Notes in accordance with the Class A-1 Note Payment Sequence, second, to the payment of principal of all outstanding Class A-2 Notes, third, to the payment of principal of all outstanding Class B Notes, fourth, to the payment of principal of all outstanding Class C Notes, and fifth, to the payment of principal of all outstanding Class D Notes, until the Class A Notes, the Class B Notes, the Class C Notes, and the Class D Notes are paid in full;

xiii. if the Class D Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to all payments of principal on such Payment Date (without giving effect to any payments pursuant to this clause (xiii)) then to the payment of principal of all outstanding Class D Notes until the Class D Notes are paid in full;

xiv. to the payment to the Collateral Manager of the Cumulative Deferred Management Fee (or any portion thereof as directed by the Collateral Manager);

xv. first, to the payment of principal of the Class C Notes, in an amount equal to that portion of the principal of the Class C Notes comprised of Class C Deferred Interest unpaid after giving effect to payments under clauses (x) and (xii) above (amounts will be considered unpaid for this purpose if the principal balance of the Class C Notes after giving effect to clauses (x) and (xii) above exceeds any previous lowest amount outstanding) and second, to the payment of principal of the Class D Notes in an amount equal to that portion of the principal of the Class D Notes comprised of Class D Deferred Interest unpaid after giving effect to payments under clauses (xii) and (xiii) above (amounts will be considered unpaid for this purpose if the principal balance of the Class D Notes after giving effect to clauses (xii) and (xiii) above exceeds any previous lowest amount outstanding);

xvi. after the Payment Date occurring in September 2015, first, to the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full, and second, to the payment of principal of all outstanding Class D Notes until the Class D Notes are paid in full;

xvii. to the payment of principal of the Class D Notes in an amount equal to the Class D Notes Amortizing Principal Amount;

xviii. to the payment of, pro rata, any Defeated Cashflow Swap Termination Payments, with respect to the Cashflow Swap Agreement, pro rata, based on the amount owed and Defeated Synthetic Security Termination Payments, with respect to the Synthetic Securities, pro rata, based on the amount owed;

xix. first (a) to the payment of any remaining accrued and unpaid Administrative Expenses of the Issuers not paid pursuant to clauses (i) and (ii) above (as the result of the limitations on amounts set forth therein) in the same order of priority set forth above in clause (iii) excluding any Indemnities (and legal expenses related thereto) payable by the Issuers; second, (b) to the payment, pro rata, of any Indemnities (and legal expenses related thereto) payable by the Issuers not paid pursuant to clause (ii) above (as the result of the limitation on amounts set forth therein) in the same order of priority set forth above in clause (iii); and third, (c) to the Expense Reserve Account until the balance of such

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825443
account reaches U.S.$200,000 (other effect of any deposits on such
Payment Date under clause (ii) above), provided, however, that the aggregate payments
pursuant to subclause (c) of this clause (vii) and subclause (c) of clause (ii) on any
Payment Date shall not exceed U.S.$250,000; and
xx. any remaining amount to the pay to the Fiscal Agent for deposit into the Income
Note Payment Account for payment to the Holders of the Income Notes an additional
distributions (subject to certain restrictions imposed under Cayman Islands law and to the
extent of funds legally available therefor).

On the Business Day prior to the Final Payment Date, the Trustees will transfer all funds then on
deposit in the Collection Account into the Payment Account. On the Final Payment Date, amounts in the
Payment Account will be applied by the Trustees in the manner and order of priority set forth below:

i. to the payment of the amounts referred to in clauses (i) through (vi) of the Priority of
Payments for Payment Dates which are not Final Payment Dates, in that order (without
regard to the limitations in clause (ii) except for any Final Payment Date which is the
Stated Maturity of a Note (other than the Class S Notes)); provided that no deposit shall
be made to the Expense Reserve Account pursuant to subclause (iii);

ii. to the payment to the Class A-1 Notes in accordance with the Class A-1 Note Payment
Sequence of the amount necessary to pay the outstanding principal amount of such
Notes;

iii. to the payment to the Class S-2 Notes of the amount necessary to pay the outstanding
principal amount of such Notes;

iv. to the payment to the Class A-2 Notes of the amount necessary to pay the outstanding
principal amount of such Notes;

v. to the payment to the Class B Notes of the amount necessary to pay the outstanding
principal amount of such Notes in full;

vi. to the payment to the Class C Notes of the amount necessary to pay accrued and unpaid
interest on and the outstanding principal amount of such Notes (including any Class C
Deferred Interest and Defaulted interest and any interest thereon) in full;

vii. to the payment to the Class D Notes of the amount necessary to pay accrued and unpaid
interest on and the outstanding principal amount of such Notes (including any Class D
Deferred Interest and Defaulted interest and any interest thereon) in full;

viii. to the payment of the amounts referred to in clause (xiv) of the Priority of Payments for
Payment Dates that are not Final Payment Dates;

ix. to the payment of the amounts referred to in clause (xvi) of the Priority of Payments for
Payment Dates that are not Final Payment Dates;

x. to the payment of the amounts referred to in subclause (a) and subclause (b) of clause
(xvi) of the Priority of Payments on any Final Payment Date that is the Stated Maturity of
any Notes (other than the Class S Notes); and

xi. to the payment of the amounts referred to in clause (xx) of the Priority of Payments for
Payment Dates which are not Final Payment Dates in accordance with the Fiscal Agency
Agreement.

Confidential Treatment Requested by Goldman Sachs

GS MBS:E-021825444
Upon payment in full of the last outstanding Note, the Issuer (or the Collateral Manager acting pursuant to the Collateral Management Agreement on behalf of the Issuer) will liquidate any remaining Collateral Assets, Eligible Investments, the Cashflow Swap Agreement and any other items comprising the Collateral and deposit the proceeds thereof in the Collection Account. The net proceeds of such liquidation and all available cash (other than the U.S.$250 of capital contributed by the owners of the Issuer Ordinary Shares), in accordance with the Issuer’s Memorandum and Articles of Association and U.S.$250 representing a transaction fee to the Issuer (the “Excluded Property”) will be distributed in accordance with the Priority of Payments for Final Payment Dates and all amounts remaining thereafter will be paid to the Holders of the Income Notes as a redemption payment, whenupon all of the Notes and the Income Notes will be canceled.

Income Notes

The final payment on the Income Notes will be made by the Issuer on the Stated Maturity of the Income Notes, unless redeemed or retired prior thereto in accordance with the Priority of Payments.

The Indenture and the Fiscal Agency Agreement

The following summary describes certain provisions of the Indenture and the Fiscal Agency Agreement. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture and the Fiscal Agency Agreement.

Indenture

Events of Default. An “Event of Default” under the Indenture includes:

i. a default in the payment, when due and payable, of any interest on any Class S Note, Class A Note or Class B Note or, if there are no Class S Notes, Class A Notes or Class B Notes outstanding, any Class C Note or, if there are no Class S Notes, Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note and a continuation of such default, in each case, for a period of 7 days (or, in the case of a default in payment resulting solely from an administrative error or omission by the Trustee, any Note Paying Agent or the Note Registrar, such default continues for a period of 7 days after the Trustee is made aware of such administrative error or omission);

ii. a default in the payment of principal due on any Note at its Stated Maturity or on any Redemption Date (or, in the case of a default in payment resulting solely from an administrative error or omission by the Trustee, any Note Paying Agent or the Note Registrar, such default continues for a period of 7 days after the Trustee is made aware of such administrative error or omission);

iii. the failure on any Payment Date to disburse amounts (other than in payment of interest on any Note or principal of any Note at its Stated Maturity or any date set for redemption as described in (i) and (ii) above) available in the Payment Account in excess of U.S.$250 in accordance with the Priority of Payments and a continuation of such failure for a period of 7 days after such failure has been recognized;

iv. a circumstance in which either of the Issuers or the Collateral or any portion thereof becomes an investment company required to be registered under the Investment Company Act;

v. a default, which has a material adverse effect on the Holders of the Notes (as determined by at least 50% in aggregate principal amount of the Controlling Class), in the performance, or breach, of any covenant, representation, warranty or other agreement of the Issuers in the Indenture (it being understood that a failure to satisfy a Coverage Test is not a default or breach) or in any certificate or writing delivered pursuant to the

75

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825445
Indenture, or if any representation or warranty of the Issuers made in the Indenture or in any certificate or writing delivered pursuant thereto proves to be incorrect in any material respect when made, and the continuation of such default or breach for a period of 30 days after notice thereof shall have been given to the Issuers and the Collateral Manager by the Trustee or to the Issuers, the Collateral Manager and the Trustee by the Holders of at least 50% in Aggregate Outstanding Amount of the Controlling Class; and

vi. certain events of bankruptcy, insolvency, receivership or reorganization of either of the Issuers.

If an Event of Default should occur and be continuing, the Trustee may, with the consent of the Holders of at least a Majority of the Controlling Class, and will at the direction of the Holders of at least a Majority of the Controlling Class, declare the principal of and accrued and unpaid interest on all Notes to be immediately due and payable (except that in the case of an Event of Default described in clause (vi) above, such an acceleration will occur automatically and shall not require any action by the Trustee or any Noteholder).

If an Event of Default should occur and be continuing, the Trustee is required to retain the Collateral intact and collect all payments in respect of the Collateral and continue making payments in the manner described under Priority of Payments unless (a) the Trustee determines (which determination will be based upon a certificate from the Collateral Manager) that the anticipated proceeds of a sale or liquidation of the Collateral based on an estimate obtained from a nationally recognized investment banking firm (which estimate takes into account the time elapsed between such estimate and the anticipated sale of the Collateral) would equal the amount necessary to pay in full (after deducting the reasonable expenses of such sale or liquidation) the sum of (i) the principal (including any Class C Deferred Interest and Class D Deferred Interest) and accrued interest (including all Defaulted Interest, and interest thereon) and any other amounts due with respect to all the outstanding Notes; (ii) all Administrative Expenses; (iii) all amounts payable by the Issuer to the Synthetic Security Counterparty or an assignee of a Synthetic Security (other than Defaulted Synthetic Security Termination Payments) net of all amounts payable to the Issuer by any Synthetic Security Counterparty or an assignee of a Synthetic Security; (iv) all amounts payable by the Issuer to the Cashflow Swap Counterparty (other than Defaulted Cashflow Swap Termination Payments) net of all amounts payable to the Trustee by any Cashflow Swap Counterparty; (v) accrued and unpaid Deferred Structuring Expenses; (vi) accrued and unpaid Collateral Management Fees, including any Cumulative Defided Management Fees; and (vii) all other items in the Priority of Payments ranking prior to payments on the Notes, and, in any case, the Holders of a Majority of the Controlling Class agrees with such determination or (b) the Issuers of at least 90-99% of the Aggregate Outstanding Amount of the Controlling Class and any Cashflow Swap Counterparty (other than any Cashflow Swap Counterparty which will be paid in full the amounts due to it, including in any applicable termination payments other than Defaulted Cashflow Swap Termination Payments at the time of distribution of the proceeds of any sale or liquidation of the Collateral) direct, subject to the provisions of the Indenture, the sale and liquidation of the Collateral.

The Holders of a Majority of the Controlling Class will have the right to direct the Trustee in writing in the conduct of any proceedings or in the sale of any or all of the Collateral, but only if (i) such direction will not conflict with any rule of law or the Indenture (including the limitations described in the paragraph above) and (ii) the Trustee determines that such action will not involve it in liability (unless the Trustee has received such indemnity which is reasonably acceptable to the Trustee against any such liability).

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case of an Event of Default with respect to the Notes occurs and is continuing, the Trustee is under no obligation to exercise any of the rights or powers under the Indenture at the request of any Holders of Notes, unless such Holders have offered to the Trustee reasonable security or an indemnity which is reasonably acceptable to the Trustee. The Holders of a Majority of the Controlling Class may waive any default with respect to the Notes, except (a) a default in the payment of principal or interest on any Note; (b) failure on any Payment Date to disburse amounts available in the Payment Account in accordance with the Priority of Payments and continuation of such failure for a period of five days; (c) certain events of bankruptcy or
1465

Footnote Exhibits - Page 5536

insolvency with respect to the Issuers; or (d) a default in respect of a provision of the Indenture that cannot be modified or amended without the waiver or consent of Holder of each outstanding Note adversely affected thereby.

Furthermore, any declaration of acceleration of maturity of the Notes may be revoked and annulled by the Holders of a Majority of the Controlling Class before a judgment or decree for the payment of money has been obtained by the Trustee or the Collateral has been sold or foreclosed in whole or in part, by notice to the Issuers, the Trustee and any Cashflow Swap Counterparty. If (a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay, in accordance with the Priority of Payments, the principal and accrued interest (including all Defaulted Interest and the interest thereon), discount or other unpaid amounts with respect to the outstanding Notes and any other administrative expenses, fees or other amounts that, under the Transaction Documents and pursuant to the Priority of Payments, are payable prior to the payment of the principal of and Interest on the outstanding Notes, and (b) the Trustee has determined that all Events of Default, other than the non-payment of the interest on or principal of the outstanding Notes that have become due solely by such acceleration, have been cured and the Holders of a Majority of the Controlling Class by notice to the Trustee have agreed with such determination (which agreement shall not be unreasonably withheld) or waived such Event of Default in accordance with the provisions set forth in the Indenture.

Only the Trustee may pursue the remedies available under the Indenture and the Notes and no Holder of a Note will have the right to institute any proceeding with respect to the Indenture, its Note or otherwise unless (i) such Holder previously has given to the Trustee written notice of a continuing Event of Default; (ii) except in the case of a default in the payment of principal or interest, the Holders of at least 25%, by Aggregable Outstanding Amount, of the Controlling Class have made a written request upon the Trustee to institute such proceedings in its own name as Trustee and such Holders have offered the Trustee an indemnity which is reasonably acceptable to the Trustee; (iii) the Trustee has for 30 days failed to institute any such proceeding; and (iv) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by the Holders of a Majority of the Controlling Class.

In determining whether the Holders of the requisite percentage of Notes have given any direction, notice or consent, Notes owned by the Issuer, the Co-Issuer or any affiliate thereof shall be disregarded and deemed not to be outstanding. In addition, Holders of Income Notes will not be considered to be affiliates of the Issuer or Co-Issuer by virtue of such ownership of Income Notes.

Notices. Notices to the Holders of the Notes shall be given by first-class mail, postage prepaid, to each Noteholder at the address appearing in the applicable note register. In addition, for so long as any of the Notes are listed on any stock exchange and so long as the rules of such exchange so require, notices to the Holders of such Notes shall also be published by the Listing and Paying Agent in the official list thereof.

Modification of the Indenture. Except as provided below, with the consent of the Holders of a Majority, by Aggregable Outstanding Amount, of the Notes materially adversely affected thereby, voting together as a single class, and a Majority of the Income Notes materially and adversely affected thereby, the Trustee and the Issuer, with respect to the Notes, may execute a supplemental indenture to add provisions to, or change in any manner or eliminate any provisions of, the Indenture or modify in any manner the rights of the Holders of the Notes of such Class or the Income Notes, provided that the Rating Agency Condition would be satisfied after such addition, change or elimination. The Trustee may, consistent with the written advice of legal counsel or an officer's certificate, at the expense of the Issuer, determine whether or not the Holders of the Notes or Income Notes would be materially and adversely affected by such change. Such determination shall be conclusive and binding on all present and future Holders.

Without the consent of the Holders of each adversely affected Note and each adversely affected Income Note, and unless the Rating Agency Condition is satisfied, no supplemental indenture may be entered into which would (i) change the Stated Maturity of the principal of or the due date of any installment of interest or discount on a Note; reduce the principal amount thereof or the rate of interest thereon, or the applicable Redemption Price with respect thereto; change the earliest date on which a
Note may be redeemed: change the provisions of the Indenture relating to the application of proceeds of any Collateral to the payment of principal of or interest or discount on Notes or change any place where, on the coin or currency in which, Notes or the principal thereof or interest or discount thereon are payable or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date): (ii) reduce the percentage in aggregate principal amount of Holders of the Notes of each Class and Holders of the Income Notes whose consent is required for the authorization of any supplemental indenture or for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder or their consequences: (iii) impair or adversely affect the Collateral except as otherwise permitted by the Indenture: (iv) permit the creation of any security interest on or after the time subject thereto or deprive the Holder of any Note, the Trustee or any other Secured Party of the security afforded by the Indenture: (v) reduce the percentage of Holders of the Notes of each Class whose consent is required to request the Trustee to preserve the Collateral or to sell or liquidate the Collateral pursuant to the Indenture: (vi) modify any of the provisions of the Indenture with respect to supplemental indentures, except to increase the percentage of outstanding Notes whose Holders consent is required for any such action or to provide that other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note adversely affected thereby: (vii) modify the definition of the term "Outstanding" or the Priority of Payments set forth in the Indenture: (viii) modify any of the provisions of the Indenture in such a manner as to affect the calculation of the amount of any payment of interest or discount on or principal of any Note or modify any amount distributable to the Collateral Agent for payment to the Holders of the Income Notes on any Payment Date or to affect the right of the Holders of the Notes or the Trustee to the benefit of any provisions for the redemption of such Notes contained therein: (ix) amend any provision of the Indenture or any other agreement entered into by the Issuer with respect to the transactions contemplated by the Indenture relating to the institution of proceedings for the Issuer or the Collateral Agent or to be adjudicated as bankrupt or insolvent, or the consent of the issuer or the Co-Issuer to the institution of bankruptcy or insolvency proceedings against it, or the filing with respect to the Issuer or the Co-Issuer of a petition or answer or consent seeking reorganization, arrangement, moratorium or liquidation proceedings, or other proceedings under the United States Bankruptcy Code or any similar laws, or the consent of the Issuer or the Co-Issuer to the filing of any such petition or the appointment of a receiver, liquidator, assignee, trustee or liquidator (or other similar official) of the Issuer or the Co-Issuer or any substantial part of its property, respectively; (x) increase the amount of the Collateral Management Fees payable to the Collateral Manager beyond the amount provided for in the original Collateral Management Agreement: (xi) amend any provision of the Indenture or any other agreement entered into by the Issuer with respect to the transactions contemplated thereby that provides that the obligations of the Issuer or the Trustee as the case may be, are limited or secured to the full amount of the Obligations of the Issuer or the Trustee, respectively, payable solely from the Collateral in accordance with the terms of the Indenture: (xii) at any time of execution of any supplemental indenture, cause the Issuer, any Collateral Agent, or the Collateral Manager or the Co-Issuer to be subject to withholding or other taxes, fees or assessments or cause the Issuer or the Co-Issuer to be treated as engaged in a United States trade or business or otherwise be subject to United States income, state or local income tax on a net income basis: or (xiii) at any time of execution of any supplemental indenture, result in a deemed sale or exchange of any of the Notes under Section 1001 of the Code (items (i) through (xii) above collectively, the "Reserved Matters").

Except as provided above, the Issuers or the Trustee may enter into one or more supplemental indentures, without obtaining the consent of Holders of the Notes or the Income Notes but with satisfaction of the Rating Agency Condition, (i) if such supplemental indentures would have no material adverse effect on any of the Noteholders (as evidenced by an officer's certificate delivered by the Issuer, or the Co-Issuer, or the Collateral Manager on behalf of the Issuer, by the Trustee) or (ii) for any of the following purposes: (a) to evidence the assumption of any person or the Collateral Agent or the Issuer of the covenants of the Issuer or Co-Issuer in the Notes, the Collateral Agency Agreement and the Indenture; (b) to add to the covenants of the Noteholders or the Trustee, or to the Issuer or the Co-Issuer or others, to the Notes or the Income Notes or to surrender any right or power conferred upon the Issuer or the Co-Issuer in the Notes.
the Issuer; (c) to convey, transfer, assign, mortgage or pledge any property to the Trustee, or add to the conditions, limitations or restrictions on the authorized amount, terms and purposes of the issue, authentication and delivery of the Notes or the Income Notes; (d) to evidence and provide for the acceptance of appointment by a successor Trustee and to add to or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the trusts under the Indenture by more than one Trustee; (e) to correct or amplify the description of any property at any time subject to the security interest created by the Indenture, or to better assure, convey, and confirm unto the Trustee any property subject or required to be subject to the security interest created by the Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security interest created by the Indenture any additional property; (f) to otherwise correct any inconsistency or cure any ambiguity or manifest error or correct or supplement any provisions contained herein which may be defective or inconsistent with any provision contained herein or make any modification that is of a formal, minor or technical nature or which is made to correct a manifest error; (g) to take any action necessary or advisable to prevent the Issuer, the Trustee or any Paying Agents from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise being subject to United States federal, state or local income tax on a net income basis; (h) to conform the Indenture to the descriptions thereof in the final offering circular; (i) to comply with any reasonable requests made by any stock exchange in order to list or maintain the listing of any Notes or Income Notes on such stock exchange; (j) to effect the terms of an Optional Redemption by Refinancing (including the grant of a security interest in the Collateral); or (k) to enter into any additional agreements not expressly prohibited by any of the Indenture or the other Transaction Documents, as well as any amendment, modification or waiver if the Issuer determines that entering into such an agreement or such amendment, modification or waiver thereof would not, upon or after becoming effective, materially and adversely affect the rights or interests of Holders of any Class of Notes or Income Notes. The Issuers and the Trustee shall not enter into any supplemental indenture, amendment or modification of the Indenture which would require the consent of any of the Holders of the Notes or Income Notes, any Cashflow Swap Counterparty or any Synthetic Security Counterparty due to an adverse effect or a material adverse effect, as applicable, on such person as a result of such supplemental indenture, amendment or modification without any such person’s consent (as defined below) if any such person could reasonably be determined to be adversely affected or materially adversely affected, as applicable, by any supplemental indenture, amendment or modification to this Indenture. The Issuer may give at least five (5) Business Days’ prior notice of any such supplemental indenture, amendment or modification which could reasonably be determined to give rise to an adverse effect or a material adverse effect to the Holders of the Notes and of the Income Notes, the Cashflow Swap Counterparty and the Synthetic Security Counterparty. All Cashflow Swap Counterparties that fail to respond to any such notice on or before the return date indicated on such notice shall be deemed to be not adversely affected or materially adversely affected by such change and the Issuers, the Trustee and any opinion of counsel may rely on the results of any such notice or on a certificate from the Issuer or the Cashflow Swap Manager. The Trustee may require the delivery of an opinion of counsel or an officer’s certificate delivered by the Issuer (or the Cashflow Swap Manager on behalf of the Issuer) to the Trustee, reasonably satisfactory to it, at the expense of the Issuer, that the execution of such amendment or modification is authorized or permitted under the terms of the Indenture. Such determination shall be conclusive and binding on all present and future Holders of Notes or Income Notes, any Synthetic Security Counterparty, the Collateral Manager and any Cashflow Swap Counterparty.

Notwithstanding anything to the contrary herein, (l) the Issuer will not consent to enter into any supplemental indenture or any supplement or amendment to any other document related thereto unless and until the Collateral Manager has received written notice of such proposed amendment or supplement and has consented in writing thereto and has received a final copy thereof from the Issuer or the Trustee and, if any such supplement or amendment would reasonably be expected to have a material adverse effect on any Synthetic Security Counterparty, such Synthetic Security Counterparty has received written notice of such amendment or supplement and has consented thereto in writing (which consent shall not be unreasonably withheld) and (m) no amendment to the Indenture will be effective until the consent of each Cashflow Swap Counterparty (which shall not be unreasonably withheld) has been obtained to the extent required under the Cashflow Swap Agreement.
Under the Indenture, the Trustee will, for so long as any of the Securities are outstanding and rated by the Rating Agencies, deliver a copy of any proposed supplemental indenture (whether or not required to be approved by the Holders of any Notes or Income Notes) to the Rating Agencies, each Cashflow Swap Counterparty and each Synthetic Security Counterparty not later than 20 Business Days prior to the execution of such proposed supplemental indenture, and no such supplemental indenture shall be entered into unless the Rating Agency Condition is met, provided that the Trustee shall, with the consent of the Holders of 100% of the Aggregate Outstanding Amount of Notes of each Class and Income Notes, each Synthetic Security Counterparty and each Cashflow Swap Counterparty, enter into any such supplemental indenture notwithstanding any potential reduction or withdrawal of the ratings of any outstanding Class of Notes. In addition, the Trustee will deliver a copy of any proposed supplemental indenture with respect to which a determination must be made pursuant to the terms of the Indenture as to whether the Controlling Class would be materially adversely affected thereby to the Controlling Class not later than five (5) Business Days prior to the execution of such proposed supplemental indenture for such shorter period prior to the execution of such proposed supplemental indenture as a Majority of the Controlling Class shall consent to, or otherwise agree is sufficient. The Trustee must provide notice of any amendment or modification of the Indenture (whether or not required to be approved by the Holders of any Notes or Income Notes) to the Holders of the Notes and Income Notes, each Cashflow Swap Counterparty, each Synthetic Security Counterparty and, for so long as any Notes or Income Notes are listed on any stock exchange, the Listing and Paying Agent, promptly upon the execution of such supplemental indenture.

In connection with any amendment, the Trustee may require the delivery of an opinion of counsel satisfactory to it, at the expense of the Issuer, that such amendment is permitted under the terms of the Indenture.

Jurisdictions of Incorporation and Formation. Under the Indenture, the Issuer and the Co-Issuer will be required to maintain their rights and franchises as a company incorporated under the laws of the Cayman Islands and a corporation formed under laws of the State of Delaware, respectively, to comply with the provisions of their respective organizational documents and to obtain and preserve their qualification to do business as foreign corporations in each jurisdiction in which such qualifications are or shall be necessary to protect the validity and enforceability of the Indenture, the Notes or any of the Collateral, provided, however, that the Issuer shall be entitled to change their jurisdictions of incorporation from the Cayman Islands or Delaware, as applicable, to any other jurisdiction reasonably selected by the Issuer or Co-Issuer, as applicable, and approved by its common shareholders, so long as (i) the Issuer or Co-Issuer, as applicable, does not believe such change is disadvantageous in any material respect to such entity, the Holders of any Class of Notes, the Cashflow Swap Counterparty, any Synthetic Security Counterparty; (ii) notices of such change shall have been given by the Issuer or Co-Issuer, as applicable, to the Issuer or Co-Issuer, as applicable, to the Issuer, the Agents, the Collateral Manager, the Cashflow Swap Counterparty, each Synthetic Security Counterparty, the Holders of each Class of Notes and each of the Rating Agencies at least thirty (30) Business Days prior to such change in jurisdiction; and (iii) on or prior to the 26th Business Day following such notice the Trustee shall not have received written notice from Holders of a Majority of the Controlling Class, the Collateral Manager, the Cashflow Swap Counterparty, any Synthetic Security Counterparty or, so long as any Notes or Income Notes are listed thereon, any stock exchange objecting to such change.

Petitions for Bankruptcy. The Indenture will provide that no Secured Party may, prior to the date which is one year and one day (or, if longer, the applicable preference period then in effect) after the payment in full of all Securities, institute against, or join any other person in instituting against, the Issuer or Co-Issuer any bankruptcy, reorganization, arrangement, moratorium, liquidation or similar proceedings under the laws of any jurisdiction.

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Collateral securing the Notes upon delivery to the Note Paying Agent for cancellation all of the Notes, or, within certain limitations (including the obligation to pay principal and interest), upon deposit with the Trustee of funds sufficient for the payment or redemption thereof and the payment by the Issuers of all other amounts due under the Indenture.
Trustee. The Bank of New York will be the Trustee under the Indenture. The Issuer and their affiliates may maintain other banking relationships in the ordinary course of business with the Trustee. The payment of the fees and expenses of the Trustee relating to the Notes is solely the obligation of the Issuer. The Trustee and/or its affiliates may receive compensation in connection with the Trustee's investment of trust assets in certain Eligible Investments as provided in the Indenture and in connection with the Trustee's administration of any securities lending activities of the Issuer.

The Indenture contains provisions for the indemnification of the Trustee for any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture. The Trustee will not be bound to take any action unless indemnified for such action. The Noteholders shall together have the power, exercisable by a Majority of the Controlling Class, to remove the Trustee as set forth in the Indenture. The removal of the Trustee shall not become effective until the later of the effective date of the appointment of a successor trustee and the acceptance of appointment by a successor trustee. If the Trustee is removed without cause, costs and expenses of the Trustee incurred in connection with the transfer to the successor Trustee shall be paid by the successor Trustee or the Issuer.

Agent. The Bank of New York will be the Note Paying Agent, the Note Registrar, the Note Calculation Agent and the Note Transfer Agent under the Indenture. The Bank of New York will also be the Collateral Administrator pursuant to the Collateral Administration Agreement. The Issuer and their affiliates may maintain other banking relationships in the ordinary course of business with The Bank of New York. The payment of the fees and expenses of The Bank of New York relating to the Notes is solely the obligation of the Issuer. The Indenture contains provisions for the indemnification of The Bank of New York for any loss, liability or expense incurred without gross negligence, willful misconduct, default or bad faith on its part arising out of or in connection with the acceptance or administration of the Indenture.

Listing and Paying Agent. For so long as any of the Notes or the Income Notes are listed on any stock exchange and the rules of such exchange shall so require, the Issuer will have a Listing and Paying Agent and a paying agent (which shall be the "Listing and Paying Agent") for the Securities. The Issuer and their affiliates may maintain other relationships in the ordinary course of business with the Listing and Paying Agent. The payment of the fees and expenses of the Listing and Paying Agent relating to the Securities is solely the obligation of the Issuer. The Indenture contains provisions for the indemnification of the Listing and Paying Agent for any loss, liability or expense incurred without gross negligence, willful misconduct or bad faith on their respective parts arising out of or in connection with the acceptance or administration of the Indenture.

Status of the Income Notes. The Holders of the Income Notes will have certain rights to vote with respect to limited matters arising under the Indenture and the Collateral Management Agreement including, without limitation, in connection with certain modifications to the Indenture. However, the Holders of the Income Notes will have no right to vote in connection with the realization of the Collateral or certain other matters under the Indenture.

Consolidation, Merger or Transfer of Assets. Except under the limited circumstances set forth in the Indenture, the Issuer will not be permitted to consolidate with, merge into, or transfer or convey all or substantially all of its assets to, any other corporation, partnership, trust or other person or entity. Except under the limited circumstances set forth in the Indenture, the Co-Issuer will not be permitted to consolidate with, merge into, or transfer or convey all or substantially all of its assets to, any other limited liability company, corporation, partnership, trust or other person or entity.

Fiscal Agency Agreement

Pursuant to the Fiscal Agency Agreement, the Fiscal Agent will perform various fiscal services on behalf of the Holders of the Income Notes. The payment of the fees and expenses of the Fiscal Agent is solely the obligation of the Issuer. The Fiscal Agency Agreement contains provisions for the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825451
Indemnification of the Fiscal Agent for any loss, liability or expenses incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Fiscal Agency Agreement.

Governing Law of the Indenture, the Notes, the Fiscal Agency Agreement, the Cashflow Swap Agreement, the Synthetic Securities, the Deed of Covenant, the Income Notes, the Collateral Management Agreement and the Collateral Administration Agreement

The Indenture, the Notes, the Cashflow Swap Agreement, the Collateral Management Agreement and the Collateral Administration Agreement will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed therein without regard to the conflict of laws principles thereof. Under the Indenture, the Fiscal Agency Agreement, the Cashflow Swap Agreement, the Collateral Management Agreement and the Collateral Administration Agreement the Issuers, as applicable, have submitted irrevocably to the non-exclusive jurisdiction of the courts of the State of New York and the courts of the United States of America in the State of New York (in each case sitting in the County of New York) for the purposes of hearing and determining any suit, action or proceeding or settling any disputes arising out of or in connection with the Indenture, the Notes, the Fiscal Agency Agreement, the Cashflow Swap Agreement, the Collateral Management Agreement and the Collateral Administration Agreement. The Fiscal Agency Agreement, the Deed of Covenant and the Income Notes will be governed by, and construed in accordance with, the laws of the Cayman Islands.

Form of the Securities

The Notes. Each Class of Notes (other than the Class D Notes) sold in reliance on Rule 144A under the Securities Act will be represented by one or more Global Notes and will be deposited with The Bank of New York as custodian for DTC and registered in the name of Cede & Co., a nominee of DTC. The Rule 144A Notes which are Class D Notes will be issued in definitive, fully registered form, registered in the name of the owner thereof ("Definitive Notes"). The Rule 144A Global Notes and the Definitive Notes (and any Notes issued in exchange therefor) will be subject to certain restrictions on transfer as set forth under "Notice to Investors."

Each Class of Notes sold in offshore transactions in reliance on Regulation S will initially be represented by a Temporary Regulation S Global Note deposited on the Closing Date with The Bank of New York as custodian for DTC and registered in the name of Cede & Co., a nominee of DTC, for the respective accounts of Euroclear and Clearstream. Beneficial interests in a Temporary Regulation S Global Note may be held only through Euroclear or Clearstream. Beneficial interests in a Temporary Regulation S Global Note will be exchanged for beneficial interests in a permanent Regulation S Global Note for the related Class of Notes in definitive, fully registered form upon the later of (i) the expiration of the Distribution Compliance Period and (ii) the first date on which the requisite certifications (in the form provided in the Indenture) are provided to the Trustee. The Regulation S Global Note will be registered in the name of Cede & Co., a nominee of DTC, and deposited with The Bank of New York as custodian for DTC for credit to the accounts of Euroclear and Clearstream for the respective accounts of the Holders of such Notes. Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream.

A beneficial interest in a Regulation S Global Note, a Temporary Regulation S Global Note or a Regulation S Income Note may be transferred, whether before or after the expiration of the Distribution Compliance Period, to a U.S. person only, with respect to the Class S Notes, the Class A Notes, the Class B Notes or the Class C Notes, in the form of a beneficial interest in a Rule 144A Global Note and, with respect to a Regulation S Class D Note or a Regulation S Income Note, in the form of a Definitive Note or an Income Note Certificate, as applicable, and only upon receipt by the Note Transfer Agent, in the case of the Notes, or Fiscal Agent, in the case of the Income Notes, of a written certification from the transferee (in the form provided in the Indenture, in the case of the Notes, or in the form provided in the Fiscal Agency Agreement, in the case of the Income Notes) to the effect that the transfer is being made to a person the transferor reasonably believes is a Qualified Institutional Buyer and a Qualified Purchaser.
In addition, transfers of a beneficial interest in a Regulation S Global Note or Temporary Regulation S Global Note to a person who takes delivery in the form of an interest in a Rule 144A Global Note may occur only in denominations greater than or equal to the minimum denominations applicable to the Rule 144A Global Notes.

A beneficial interest in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Temporary Regulation S Global Note or a Regulation S Global Note, as the case may be, whether during or after the expiration of the Distribution Compliance Period, only upon receipt by the Note Registrar of a written certification from the transferor (in the form provided in the indenture) to the effect that such transfer is being made to a non-U.S. Person in accordance with Rule 903 or 904 of Regulation S.

Any beneficial interest in one of the Global Notes that is transferred to the person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such interest.

Except in the limited circumstances described below, owners of beneficial interests in any Global Note will not be entitled to receive a Definitive Note. The Notes are not issuable in bearer form.

Each Note will be issued in minimum denominations of U.S.$250,000 (in the case of Rule 144A Notes) and U.S.$100,000 (in the case of Regulation S Notes) and integral multiples of U.S.$1 in excess thereof.

The Income Notes will be issued in minimum denominations of U.S.$100,000 notional principal amount of Income Notes and integral multiples of U.S.$1 in excess thereof.

Global Notes. Upon the issuance of the Global Notes, DTC or its custodian will credit, in its internal system, the respective aggregate original principal amount of the individual beneficial interests represented by such Global Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the Initial Purchaser. Ownership of beneficial interests in Global Notes will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown only on the books of DTC, the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants).

So long as DTC, or its nominee, is the registered owner or Holder of the Global Notes, DTC or such nominee, as the case may be, will be considered the sole owner or Holder of each Class of the Notes represented by such Global Notes for all purposes under the Indenture and such Notes. Unless DTC notifies the Issuer that it is unwilling or unable to continue as depositary for a global note or ceases to be a "Clearing Agency" registered under the Exchange Act, owners of the beneficial interests in the Global Notes will not be entitled to have any portion of such Global Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in certificated form and will not be considered to be the owners or Holders of any Notes under the Indenture. In addition, no beneficial owner of an interest in the Global Notes will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Indenture referred to herein and, if applicable, those of Euroclear and Clearstream).

Investors may hold their interests in a Regulation S Global Note or a Temporary Regulation S Global Note directly through Clearstream or Euroclear, if they are participants in those systems, or indirectly through organizations which are participants in those systems. Clearstream and Euroclear will hold interests in the Regulation S Global Notes on behalf of their participants through their respective depositaries, which in turn will hold the interests in the Regulation S Global Notes and Temporary
Regulation S Global Notes in customers' securities accounts in the depositories' names on the books of DTC. Investors may hold their interests in a Note 14A Global Note directly through DTC if they are participants in the system, or indirectly through organizations which are participants in the system.

Payments of the principal of and interest on the Global Notes will be made to DTC or its nominees, as the registered owner thereof. Neither the Issuer, the Trustee, the Note Registrar, the Income Note Registrar nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for any notice permitted or required to be given to Holders of Notes or any consent given or actions taken by DTC as Holder of Notes. The Issuers expect that DTC or its nominees, upon receipt of any payment of principal or interest in respect of a Global Note representing any Notes held by or for its nominees, will immediately credit participants' accounts with payments in amounts proportionate to their respective interests in the principal amount of such Global Notes as shown on the records of DTC or its nominees. The Issuers also expect that payments by participants to owners of interests in such Global Notes held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in Global Notes to these persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in Global Notes to pledge its interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of its interest, may be affected by the lack of a physical certificate of the Interest. Transfers between account holders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described above, cross-market transfers between DTC participants, on the one hand, and, directly or indirectly through Euroclear or Clearstream account holders, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in the system in accordance with its rules and procedures and within its established deadlines (Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in a Temporary Regulation S Global Note or a Regulation S Global Note in DTC, and making or receiving payment in accordance with procedures for a same-day funds settlement applicable to DTC. Clearstream and Euroclear account holders may not deliver instructions directly to the depositaries for Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a DTC participant will be credited during the securities settlement processing day (which must be a Business Day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and the credit of any transactions in interests in a Global Note settled during the processing day will be reported to the relevant Euroclear or Clearstream participant on that day. Cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

DTC has advised the Issuers that it will take any action permitted to be taken by a Holder of the Notes (including the presentation of the applicable Notes for exchange as described below) only at the direction of one or more participants to whose account with DTC interests in a Global Note are credited and only in respect of that portion of the aggregate principal amount of the Notes as to which the participant or participants has or have given direction.
The giving of notices and other communications by DTC to participants, by participants to persons who hold accounts with them and by such persons to Holders of beneficial interests in a Global Note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised the Issuers as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Clearstream. Clearstream Banking, société anonyme, was incorporated as a limited liability company under Luxembourg law. Clearstream is owned by Cedel International, société anonyme, and Deutsche Börse AG. The shareholders of these two entities are banks, securities dealers and financial institutions.

Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream customers through electronic book-entry changes in accounts of Clearstream customers, thus eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities, securities lending and borrowing and collateral management. Clearstream interfaces with domestic markets in a number of countries. Clearstream has established an electronic bridge with Euroclear Bank S.A./N.V., the operator of the Euroclear System, to facilitate settlement of trades between Clearstream and Euroclear.

As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream customers are limited to brokers and dealers and banks and may include the initial Purchaser. Other institutions that maintain a custodial relationship with a Clearstream customer may obtain indirect access to Clearstream. Clearstream is an indirect participant in DTC.

Distributions with respect to the Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream customers in accordance with its rules and procedures, to the extent received by Clearstream.

The Euroclear System. The Euroclear System was created in 1968 to hold securities for participants of the Euroclear System and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thus eliminating the need for physical movement of certificates and risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in many currencies, including U.S. Dollars and Japanese Yen. The Euroclear System provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above.

The Euroclear System is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"), under contract with Euroclear Clearance System plc, a U.K. company (the "Euroclear Clearance System"). The Euroclear Operator conducts all operations, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Euroclear Clearance System. The Euroclear Clearance System establishes policy for the Euroclear System on behalf of Euroclear.
participating organizations. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the INITIAL Purchaser. Indirect access to the Euroclear System is also available to other firms that enter through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. Euroclear is an indirect participant in DTC.

The Euroclear Operator is a Belgian bank. The Belgian Banking Commission regulates and examines the Euroclear Operator.

The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear Operator. Specifically, these terms and conditions govern:

(a) transfers of securities and cash within the Euroclear System;
(b) withdrawal of securities and cash from the Euroclear System; and
(c) receipt of payments with respect to securities in the Euroclear System.

All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding securities through Euroclear participants.

Distributions with respect to Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participating organizations in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear Operator and by Euroclear.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the Regulation S Global Notes and in the Rule 144A Global Notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform these procedures, and the procedures may be discontinued at any time. Neither the Issuers nor the Trustee will have any responsibility for the performance by DTC, Clearstream, Euroclear or their respective participants or indirect participants of their respective obligations under the terms and procedures governing their operations.

Payments; Certifications by Holders of Temporary Regulation S Global Notes. A Holder of a beneficial interest in a Temporary Regulation S Global Note must provide Clearstream or Euroclear, as the case may be, with a certificate in the form required by the Indenture certifying that the beneficial owner of the interest in such Global Note is not a U.S. Person (as defined in Regulation S), and Clearstream or Euroclear, as the case may be, must provide to the Trustee a certificate in the form required by the Indenture prior to (i) the payment of interest or principal with respect to such Holder's beneficial interest in the Temporary Regulation S Global Note and (ii) any exchange of such beneficial interest for a beneficial interest in a Regulation S Global Note.

Individual Definitive Notes. The Class S Notes, the Class A Notes, the Class B Notes and the Class C Notes will be initially issued in definitive form. The Class D Notes (other than Regulation S Class D Notes) will be represented by one or more Definitive Notes and will be subject to certain transfer restrictions as set forth under "NOTICE TO INVESTORS", if DTC or any successor to DTC advises the Issuer in writing that it is at any time unwilling or unable to continue as a depositary for the reasons described in "— Global Notes" and a successor depositary is not appointed by the Issuers within ninety (90) days or as a result of any amendment to or change in, the laws or regulations of the Cayman Islands or the State of Delaware, as applicable, or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which become effective on or after the Closing Date, the Issuer or the Note Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive form and the
Issuers will issue Definitive Notes in registered form in exchange for the Regulation S Global Notes and the Rule 144A Global Notes, as the case may be. Upon receipt of such notice from DTC, the issuers will use their best efforts to make arrangements with DTC for the exchange of obligations in the Global Notes for individual Definitive Notes and cause the requested individual Definitive Notes to be executed and delivered to the Note Register in sufficient quantities and authenticated by or on behalf of the Note Transfer Agent for delivery to Holders of the Notes. Persons exchanging interests in a Global Note for individual Definitive Notes will be required to provide to the Note Transfer Agent, through DTC, Clearstream or Euroclear, (i) written instructions and other information required by the Issuers and the Note Transfer Agent to complete, execute and deliver such individual Definitive Notes, (ii) in the case of an exchange of an interest in a Rule 144A Global Note, such certification as to Qualified Institutional Buyer status and that such Holder is a Qualified Purchaser, as the Issuers shall require and (iii) in the case of an exchange of an interest in a Regulation S Global Note, such certification as the Issuers shall require as to non-U.S. Person status. In all cases, individual Definitive Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in denominations in compliance with the minimum denominations specified for the applicable Global Notes, requested by DTC.

Individual Definitive Notes will bear, and be subject to, such legend as the Issuers require in order to assure compliance with any applicable law. Individual Definitive Notes will be transferable subject to the minimum denomination applicable to the Rule 144A Global Notes and Regulation S Global Notes, in whole or in part, and exchangeable for individual Definitive Notes of the same Class at the office of the Note Paying Agent, Note Transfer Agent or the office of any transfer agent, upon compliance with the requirements set forth in the Indenture. Individual Definitive Notes may be transferred through any transfer agent upon the delivery and duly completed assignment of such Notes. Upon transfer of any individual Definitive Note in part, the Note Transfer Agent will issue in exchange therefore to the transferee one or more individual Definitive Notes in the amount being so transferred and will issue to the transferor one or more individual Definitive Notes in the remaining amount not being transferred. No service charge will be imposed for any registration of transfer or exchange, but payment of a sum sufficient to cover any tax or other governmental charge may be required. The Holder of a restricted individual Definitive Note may transfer such Note, subject to compliance with the provisions of the legend thereon. Upon the transfer, exchange or replacement of Notes bearing the legend, or upon specific request for removal of the legend on a Note, the Issuer will deliver only Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. Payments of principal and interest on individual Definitive Notes shall be payable by the Note Paying Agents by U.S. Dollar check drawn on a bank in the United States of America and sent by mail to the registered Holder thereof, by wire transfer in immediately available funds. In addition, for so long as any Notes are listed on any stock exchange and the rules of such exchange shall so require, in the case of a transfer or exchange of individual Definitive Notes, a Holder thereof may effect such transfer or exchange by presenting such Notes at, and obtaining a new individual Definitive Note from the office of the Listing and Paying Agent, in the case of a transfer or only a part of an Individual Definitive Note, a new Individual Definitive Note in respect of the balance of the principal amount of the individual Definitive Note not transferred will be delivered at the office of applicable stock exchange, and in the case of a replacement of any lost, stolen, mutilated or destroyed individual Definitive Notes, a Holder thereof may obtain a new individual Definitive Note from the Listing and Paying Agent.

The Class D Notes (other than Regulation S Class D Notes) will be represented by one or more notes in definitive form and will be subject to certain restrictions on transfer as set forth under “Notice to Investors.”

The Class D Notes (other than Regulation S Class D Notes) may be transferred only upon receipt by the Issuer and the Note Transfer Agent of a Class D Notes Purchase and Transfer Letter to the effect that the transfer is being made (i) to a Qualified Institutional Buyer that has acquired an interest in the Class D Notes in a transaction meeting the requirements of Rule 144A who is also a Qualified Purchaser...
Footnote Exhibits - Page 5547

or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S. The transferee must also make certain other representations applicable to such transferee, as set forth in the Class D Notes Purchase and Transfer Letter.

Payments on the Class D Notes (other than Regulation S Class D Notes) on any Payment Date will be made to the person in whose name the relevant Note is registered as of the close of business on Business Days prior to such Payment Date.

The Income Notes (other than the Regulation S Income Notes). The Income Notes (other than the Regulation S Income Notes) will be represented by one or more Income Note Certificates in definitive form and the Income Notes will be subject to certain restrictions on transfer as set forth under "Notes to Investors."

Income Notes (other than Regulation S Income Notes) may be transferred only upon receipt by the Issuer and the Fiscal Agent of an Income Notes Purchase and Transfer Letter to the effect that the transfer is being made (i) to a Qualified Institutional Buyer that has acquired an interest in the Income Notes in a transaction meeting the requirements of Rule 144A, or (ii) to an Accredited Investor having a net worth of not less than U.S.$10 million in a transaction exempt from registration under the Securities Act, or (iii) to a Non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S. The transferee must also make certain other representations applicable to such transferee, as set forth in the Income Notes Purchase and Transfer Letter.

The Income Notes will be issued in minimum denominations of U.S.$100,000 notional principal amount of Income Notes and integral multiples of U.S.$1 in excess thereof. Payments on the Income Notes (other than Regulation S Income Notes) on any Payment Date will be made to the person in whose name the relevant Income Note is registered in the Income note register as of the close of business on the first calendar day of the month in which such Payment Date occurs (or if such day is not a Business Day, the next succeeding Business Day).

USE OF PROCEEDS

The gross proceeds associated with the offering of the Securities are expected to equal approximately U.S.$1,007,168,000. Approximately U.S.$1,050,000 of such gross proceeds will be applied by the Issuer to pay upfront fees and expenses associated with the offering of the Securities. In addition, on or before the Closing Date, approximately U.S.$200,000 of the proceeds from the issuance of the Securities will be deposited into the Expense Reserve Account. On or before the Closing Date or promptly thereafter, as is consistent with customary settlement procedures, pursuant to agreements to purchase entered into on or before the Closing Date, the Issuer will apply the net proceeds to purchase the Collateral Assets which are cash assets described herein having an aggregate Principal Balance of approximately U.S.$50,000,000 and which will have entered into the Cashflow Swap Agreement.

RATINGS OF THE NOTES

It is a condition to the issuance of the Notes that the Class S Notes, the Class A-1 Notes and the Class A-2 Notes be rated "Aaa" by Moody’s and "AAA" by S&P, that the Class B Notes be rated at least "A+" by Moody’s and at least "A" by S&P, that the Class C Notes be rated at least "A+" by Moody’s and at least "A" by S&P and that the Class D Notes be rated at least "Baa" by Moody’s and at least "BBB" by S&P. The Income Notes will not be rated. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Moody’s Ratings

The ratings assigned to the Notes by Moody’s are based upon its assessment of the probability that the Collateral Assets will provide sufficient funds to pay such Securities, based largely upon Moody’s statistical analysis of historical default rates on debt obligations with various ratings, expected recovery
rates on the Collateral Assets and the asset and interest coverage required for such Securities (which is achieved through the subordination of more junior Notes), and the diversification requirements that the Collateral Assets must satisfy.

Moody's rating of (i) the Class S Notes, the Class A Notes and the Class B Notes addresses the ultimate cash receipt of all required principal payments and the timely cash receipt of all interest payments as provided in the governing documents and (ii) the Class C Notes and the Class D Notes addresses the ultimate cash receipt of all required interest and principal payments as provided in the governing documents. Moody's ratings are based on the expected loss posed to the Holders of the Notes relative to the promise of receiving the present value, calculated using a discounted rate equal to the promised interest rate of such payments. Moody's analyzes the likelihood that each debt obligation included in the portfolio will default, based on historical default rates for similar debt obligations; the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the potential recovery value of the Collateral Assets and the expected volatility of the default rate of the portfolio based on the level of diversification by issuer and industry.

In addition to these quantitative tests, Moody's ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure, its view as to the quality of the participants in the transaction and other factors that it deems relevant.

S&P Ratings

S&P will rate the Notes in a manner similar to the manner in which it rates other structured issues. The ratings assigned to the Class S Notes, the Class A Notes and the Class B Notes by S&P address the likelihood of the timely payment of interest and the ultimate payment of principal on such Notes. The ratings assigned to the Class C Notes and the Class D Notes by S&P address the likelihood of the ultimate payment of interest and principal on such Notes. This requires an analysis of the following: (i) credit quality of the Collateral Assets securing the Notes; (ii) cash flow used to pay liabilities and the priorities of those payments; and (iii) legal considerations. Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating.

S&P's analysis includes the application of its proprietary default expectation computer model, the Standard & Poor's CDO Monitor (which will be provided to the Collateral Manager), which is used to estimate the default rate of the portfolio a likely to experience. The Standard & Poor's CDO Monitor calculates the projected cumulative default rate of a pool of Collateral Assets consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The Standard & Poor's CDO Monitor takes into consideration the rating of each issuer or obligor, the number of issuers or obligors, the issuer or obligor industry concentration and the remaining weighted average maturity of each of the Collateral Assets and Eligible Investments included in the portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the portfolio must withstand.

Credit enhancement to support a particular rating is then provided based, in part, on the results of the Standard & Poor's CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of overcollateralization/subordination, cash collateral/escrow account, excess spread/interest and amortization. A transaction-specific cash flow model (the "Transaction-Specific Cash Flow Model") is used to evaluate the portfolio and determine whether it can withstand an estimated level of default while fully repaying the class of debt under consideration.
There can be no assurance that actual losses on the Collateral Assets will not exceed those assumed in the application of the Standard & Poor's CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction-specific Cash Flow Model. The Issuers make no representation as to the expected rate of defaults on the portfolio or as to the expected timing of any defaults that may occur.

S&P's rating of the Notes will be established under various assumptions and scenario analyses. There can be no assurance, and no representation is made, that actual defaults on the Collateral Assets will not exceed those in S&P's analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those in S&P's analysis.

SECURITY FOR THE NOTES

Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit of the Secured Parties (but not the Holders of the Income Notes), a first priority perfected security interest in the Collateral (subject to the Synthetic Security Counterparty's interest in the Default Swap Collateral), including the Collateral Assets, that is free of any adverse claim, to secure the Issuers' obligations under the Indenture, the Notes and the Cashflow Swap Agreement.

On the Closing Date, the Issuer expects to acquire approximately U.S.$1,000,000,000 in aggregate Principal Balance of Collateral Assets. The Collateral Assets are expected to consist of CDO Securities and Synthetic Securities (the Reference Obligations of which are CDO Securities). Certain information with respect to the Collateral Assets and the Reference Obligations is included in Appendix B herein. This information was provided by or derived from information provided by the Issuers, underwriters and/or the servicers for each underlying Collateral Asset. None of the Issuers, the Initial Purchaser, the Collateral Manager, the Collateral Administrator, the Cashflow Swap Counterparty, the Synthetic Security Counterparty (or any guarantor thereof), the Trustee, any of their affiliates or any party on their behalf has made any independent review or verification as to the accuracy and completeness of the information contained below. Accordingly, prospective purchasers must make their own evaluation regarding the extent to which they will rely on such information in making an investment decision.

The Collateral Assets

The Collateral Assets had an aggregate Principal Balance of approximately U.S.$1,000,000,000 (an aggregate 'Collateral Asset Principal Balance') on or about March 31, 2007 (the 'Reference Date'). The Reference Date balances of the Collateral Assets reflect their Principal Balances after giving effect to distributions received on March 31, 2007 and (without duplication) after application of all payments due on the Collateral Assets before the Reference Date, whether or not received. However, the first distributions on the Collateral Assets available to make payments on the Notes will be those made from March 31, 2007 through the end of the first Due Period. The use of a later Reference Date would result in a lower Reference Date balance for certain Collateral Assets and, consequently, a lower aggregate Collateral Asset Principal Balance. Unless otherwise stated herein, statistical information relating to the Collateral Assets is calculated on the basis of the Principal Balances of such Collateral Assets.

For purposes of the information set forth herein, unless otherwise specified, Synthetic Securities included in the Collateral Assets are treated in the category in which the related Reference Obligation would be treated. All of the Synthetic Securities, constituting approximately 93.00% of the Collateral Assets by Principal Balance on the Closing Date will reference Reference Obligations which are CDO Securities.

On the Closing Date, the CDO Securities and the Reference Obligations which are CDO Securities include 56 whole and partial classes of CDO Securities, representing 100% of the Principal Balance of the Collateral Assets as of the Closing Date. The following is a list of the respective classes and series of CDO Securities included in the Collateral Assets:

Confidential Treatment Requested by Goldman Sachs GS MBS-E-021825460
<table>
<thead>
<tr>
<th>Collateral Asset</th>
<th>Principal Balance as of Closing Date</th>
<th>Percentage of Collateral Assets (by Principal Balance)</th>
<th>Ratings ( Moody/aS&amp;P )</th>
<th>Coupon Types</th>
<th>Weighted Average LIBIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOCH 2006-1 A C</td>
<td>12,000,000</td>
<td>1.20%</td>
<td>A2</td>
<td>LIBOR/1M</td>
<td>6.5</td>
</tr>
<tr>
<td>SMITH 2006-1A B</td>
<td>10,000,000</td>
<td>1.00%</td>
<td>A3</td>
<td>synthetic spread</td>
<td>7.1</td>
</tr>
<tr>
<td>TAPS 2006-5 A A3</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>LIBOR/1M</td>
<td>6.8</td>
</tr>
<tr>
<td>TOPS 2006-1 A B</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>7.5</td>
</tr>
<tr>
<td>VRDO 2006-1 A A3</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.8</td>
</tr>
<tr>
<td>ACERS 2006-2 A A3</td>
<td>16,240,508</td>
<td>1.62%</td>
<td>A3</td>
<td>synthetic spread</td>
<td>8.6</td>
</tr>
<tr>
<td>GSECF 2005-1A A3</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.8</td>
</tr>
<tr>
<td>GSECF 2005-2 A A D</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.3</td>
</tr>
<tr>
<td>GSEMT 2006-1 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.3</td>
</tr>
<tr>
<td>PHEMT 2005-4 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>4.1</td>
</tr>
<tr>
<td>RIVER 2005-1 A C</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A1</td>
<td>synthetic spread</td>
<td>6.0</td>
</tr>
<tr>
<td>STAIR 2005-1 A A</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.0</td>
</tr>
<tr>
<td>VERN 2006-1 A A3</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.4</td>
</tr>
<tr>
<td>EVGZ 2005-5 A C</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>7.0</td>
</tr>
<tr>
<td>CARRY 5A B</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>7.6</td>
</tr>
<tr>
<td>CRNIZX 2005-2 A C</td>
<td>3,000,000</td>
<td>0.30%</td>
<td>A2</td>
<td>LIBOR/3M</td>
<td>8.8</td>
</tr>
<tr>
<td>BLPX 2005-1 A C</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.3</td>
</tr>
<tr>
<td>FTQFR 2005-1 A A3</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.9</td>
</tr>
<tr>
<td>ICN 2005-2 A C</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.3</td>
</tr>
<tr>
<td>SDP 9 A C</td>
<td>14,782,884</td>
<td>1.48%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>8.0</td>
</tr>
<tr>
<td>ABAC 2005-9A1 A C</td>
<td>9,000,000</td>
<td>0.90%</td>
<td>A3</td>
<td>LIBOR/1M</td>
<td>8.8</td>
</tr>
<tr>
<td>ABAC 2005-9A1 A D</td>
<td>9,000,000</td>
<td>0.90%</td>
<td>A3</td>
<td>LIBOR/1M</td>
<td>8.8</td>
</tr>
<tr>
<td>TOPS 2006-2 A B</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2</td>
<td>LIBOR/1M</td>
<td>7.3</td>
</tr>
<tr>
<td>CRNIZX 2006-2 A C</td>
<td>17,000,000</td>
<td>1.70%</td>
<td>A3</td>
<td>synthetic spread</td>
<td>6.5</td>
</tr>
<tr>
<td>FORTS 2006-1 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.4</td>
</tr>
<tr>
<td>ICN 2006-3 A A</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.7</td>
</tr>
<tr>
<td>AGERS 2006-1 A A3</td>
<td>18,839,007</td>
<td>1.69%</td>
<td>A3</td>
<td>synthetic spread</td>
<td>7.0</td>
</tr>
<tr>
<td>CAPCO 2006-1 A C1</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>7.5</td>
</tr>
<tr>
<td>GSECF 2006-1 A A3</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.9</td>
</tr>
<tr>
<td>INDEF 7 A D</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.1</td>
</tr>
<tr>
<td>LSTRT 2006-1 A D</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.2</td>
</tr>
<tr>
<td>TASS 2033-4 A D</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.7</td>
</tr>
<tr>
<td>SFCSL 2006-1 A D</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>7.0</td>
</tr>
<tr>
<td>IDDM 2006-2 A D</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.0</td>
</tr>
<tr>
<td>SHERRY 2005-2 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>8.0</td>
</tr>
<tr>
<td>ADROIG 2009-2 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.3</td>
</tr>
<tr>
<td>GRAND 2006-1 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>7.3</td>
</tr>
<tr>
<td>STAK 2006-2 A S</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>7.0</td>
</tr>
<tr>
<td>NEFTR 2006-1 A B</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A3</td>
<td>synthetic spread</td>
<td>8.7</td>
</tr>
<tr>
<td>DOCCO 2009-2 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.2</td>
</tr>
<tr>
<td>AQMDQ 2006-1 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>8.6</td>
</tr>
<tr>
<td>WRFER 2006-1 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>8.6</td>
</tr>
<tr>
<td>CETUS 2006-1 A B</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.7</td>
</tr>
<tr>
<td>CETUS 2006-1 A B</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>5.9</td>
</tr>
<tr>
<td>GSECF 2006-1 A B</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.4</td>
</tr>
<tr>
<td>WRFER 2006-1 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A3</td>
<td>synthetic spread</td>
<td>6.6</td>
</tr>
<tr>
<td>SHERW 2006-3 A A3</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A3</td>
<td>synthetic spread</td>
<td>5.9</td>
</tr>
<tr>
<td>FYKX 2006-1 A C</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>8.8</td>
</tr>
<tr>
<td>GLOC 2006-4 A C</td>
<td>5,000,000</td>
<td>0.59%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>4.8</td>
</tr>
<tr>
<td>SMYR 2006-1 A A3</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>6.4</td>
</tr>
<tr>
<td>TINITY 2005-1 A B</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>8.8</td>
</tr>
<tr>
<td>TOPG 2008-2 A B</td>
<td>10,000,000</td>
<td>1.20%</td>
<td>A2</td>
<td>synthetic spread</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825461
Footnote Exhibits - Page 5551

<table>
<thead>
<tr>
<th>Collateral Asset</th>
<th>Principal Balance as of Closing Date</th>
<th>Percentage of Collateral Assets (by Principal Balance)</th>
<th>Ratings (Moody's/S&amp;P)</th>
<th>Coupon Types</th>
<th>Weighted Average Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>DVGG 2005-IA C</td>
<td>15,000,000</td>
<td>1.20%</td>
<td>A2/A synthetic spread</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>GCCF 2005-1A A3</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2/A synthetic spread</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>BFCD 2005-1A A3L</td>
<td>19,663,320</td>
<td>1.99%</td>
<td>A2/A synthetic spread</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>CMARR 7A C</td>
<td>20,246,300</td>
<td>2.02%</td>
<td>A2/A synthetic spread</td>
<td>7.9</td>
<td></td>
</tr>
<tr>
<td>CRIMZ 2005-1A S</td>
<td>15,000,000</td>
<td>1.50%</td>
<td>A2/A synthetic spread</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>VERT 2005-3A A3</td>
<td>20,000,000</td>
<td>2.00%</td>
<td>A2/A synthetic spread</td>
<td>5.8</td>
<td></td>
</tr>
</tbody>
</table>

For purposes hereof, the Weighted Average Life of each Collateral Asset has been calculated individually in accordance with market convention. Such methodology may differ as between each Collateral Asset and may not reflect the actual Weighted Average Life of each Collateral Asset.

Each of the CDO Securities are debt securities issued by a special purpose issuer, all of the assets of which are pledged to repay the CDO Securities and other classes of securities issued by such issuer. Certain of the CDO Securities provide for a revolving period during which certain proceeds of the underlying assets are reinvested in additional assets, and for a lockout period during which the CDO Securities will be redeemed or receive principal payments only in limited circumstances. While the classes of CDO Securities included in the Collateral Assets are each rated investment grade as of the date hereof, certain of the CDO Securities are subordinate in right of payment and rank junior to other securities in the same issuance, and all of the CDO Securities are senior to other more subordinate securities of the same issuance. Certain CDO Securities included in the Collateral Assets provide for the deferral of interest under certain circumstances and the failure to pay current interest on such classes of CDO Securities generally will not be an event of default so long as any more senior classes of securities are outstanding. The deferral of interest payments, if it occurs, would adversely affect the cash flow available to the issuer.

Appendix D. The information included in Appendix B to this Offering Circular and elsewhere herein does not purport to be complete and is subject to and qualified in its entirety by reference to, the provisions of the various agreements pursuant to which each of the Collateral Assets and the Reference Obligations were issued as to the other documents referred to herein pursuant to which certain classes of the Collateral Assets and the Reference Obligations were originally offered. Prospective investors are strongly urged to read them in their entirety to obtain material information concerning the Collateral Assets and the Reference Obligations. Investors should note, however, that, although they are substantially consistent in their overall presentation of information, this Offering Circular and such Disclosure Documents may vary in their use of defined terms, and any particular defined term should be read in the context of the document in which it is contained. Notwithstanding the foregoing, none of the respective issuers of the Collateral Assets or the Reference Obligations has passed on the accuracy or completeness of this Offering Circular or in any way associated with the offering of the Securities, nor does any such issuer make any representation or warranty as to the appropriateness of any document for use in connection with the offering of the Securities or take any responsibility for such use. The issuers, the initial purchaser, the collateral manager, the collateral administrator, or the trustee takes any responsibility for, or makes any representation or warranty as to the accuracy or completeness of, any of the Disclosure Documents used in connection with the original offerings of the Collateral Assets.

All numerical information provided herein with respect to the Collateral Assets and the Reference Obligations is provided on an approximate basis as of, unless otherwise specified, the Reference Date. All weighted average information provided herein with respect to the Collateral Assets and the Reference Obligations reflects weighting by the related Reference Data Balance.

The information contained herein with respect to the Collateral Assets and the Reference Obligations has been derived from a variety of sources including the disclosure documents, and reports from and communications with the related trustees, services, master servicer or special servicer. The issuers, the collateral manager, the collateral administrator, the initial purchaser and the trustee are limited in their ability to independently verify the information obtained from the above referenced sources.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825462
The Coverage Tests

The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes and the Class D Notes and whether Proceeds will be paid to the Holders of the Income Notes, and whether Proceeds must be used to make mandatory redemptions of the Class E-2 Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes. See "Description of the Securities—Principal" and "—Priority of Payments." The Coverage Tests will consist of the Class A/B Overcollateralization Test, the Class C Overcollateralization Test and the Class D Overcollateralization Test. For purposes of the Coverage Tests, the Class A Adjusted Overcollateralization Ratio, the Class B Adjusted Overcollateralization Ratio, the Class C Adjusted Overcollateralization Ratio and the Class D Adjusted Overcollateralization Ratio, if otherwise specified, a Synthetic Security shall be included as a Collateral Asset having the characteristics of the Reference Obligation (including, for the purpose of determining whether such Synthetic Security is a Defeated Obligation) and not of the Synthetic Security, provided, that if such Synthetic Security Counterparty is in default under the related Synthetic Security, such Synthetic Security shall not be included in the Coverage Tests or such Synthetic Security will be treated in such a way that will satisfy the Rating Agency Condition and if (i) the calculation of the Class A/B Overcollateralization Ratio, the Class C Overcollateralization Ratio and the Class D Overcollateralization Ratio on any Determination Date that such Coverage Test is applicable shall be made by giving effect to all payments scheduled or expected to be made pursuant to the Priority of Payments on the Payment Date following such Determination Date with certain exceptions. See "Description of the Securities—Principal" and "—Priority of Payments." For purposes of each of the Class A/B Overcollateralization Test, the Class C Overcollateralization Test and the Class D Overcollateralization Test, notwithstanding the definition of Principal Balance contained herein, the Principal Balance of any security that is not currently paying cash interest (excluding any security that is, in accordance with its terms, making payments due thereon "in kind") shall be the accreted value of such security as of the date on which it was purchased by the Issuer, provided, that such accreted value shall not exceed the par amount of such security.

The Class A/B Overcollateralization Test

The "Class A/B Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date (for the purposes of such calculation, the Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) by (ii) the sum of the Aggregate Outstanding Amount of the Class A Notes and the Class B Notes minus Principal Proceeds expected to be available prior to clause (xii) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

The "Class A/B Overcollateralization Test" will be satisfied on any Determination Date on which any Class A Notes or Class B Notes remain outstanding if the Class A/B Overcollateralization Ratio on such Determination Date is equal to or greater than 106.4%. As of the Closing Date, the Class A/B Overcollateralization Ratio is expected to be equal to 109.5%.

The Class C Overcollateralization Test

The "Class C Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date (for the purposes of such calculation, the Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) by (ii) the sum of the Aggregate Outstanding Amount of the Notes (other than the Class A Notes and the Class D Notes and including Class C Defeated Interests), minus Principal Proceeds expected to be available prior to clause (xii) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

The "Class C Overcollateralization Test" will be satisfied on any Determination Date on which any Class C Notes remain outstanding if the Class C Overcollateralization Ratio on such Determination Date is equal to or greater than 103.3%. As of the Closing Date, the Class C Overcollateralization Ratio is expected to be equal to 105.5%.
The Class D Overcollateralization Test

The "Class D Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date (for the purposes of such calculation, the Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) by (ii) the sum of the Aggregate Outstanding Amount of the Notes (other than the Class D Notes and including Class C Deferred Interest and Class D Deferred Interest), minus Principal Proceeds expected to be available prior to clause (iii) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

The "Class D Overcollateralization Test" will be satisfied on any Determination Date on which any Class D Notes remain outstanding if the Class D Overcollateralization Ratio on such Determination Date is equal to or greater than 101.1%. As of the Closing Date, the Class D Overcollateralization Ratio is expected to be equal to 102.2%.

Disposition of CDO Securities and Removal of Reference Obligations

The Collateral Assets may be retired, or in the case of a Synthetic Security, removed from the reference portfolio, prior to their respective final maturities due to, among other things, the existence and frequency of exercise of any optional or mandatory redemption features of such Collateral Assets and the Reference Obligations related thereto. In addition, pursuant to the indenture and subject to the restrictions contained therein, so long as no Event of Default has occurred and is continuing, the Collateral Manager may direct the Issuer to sell Credit Risk Obligations, Defaulted Obligations or equity securities or assign or terminate Synthetic Securities the Reference Obligations of which are Credit Risk Obligations, Defaulted Obligations or equity securities. The assignment, termination or disposition price for any sale or removal of a Collateral Asset will equal the fair market value of such Collateral Asset.

The fair market value of any such Collateral Asset will be the highest bid received by the Collateral Manager from independent third parties making a market in such Collateral Asset, at least one of which is not from the Collateral Manager, provided that, if upon commercially reasonable efforts of the Collateral Manager, bids from independent third parties making a market in such Collateral Asset are not available, the higher of the bids from two such third parties may be used; provided, further that, if upon commercially reasonable efforts of the Collateral Manager, bids from two independent third parties making a market in such Collateral Asset are not available, one such bid may be used so long as it is not from the Collateral Manager. The proceeds from any such sale of Collateral Asset will be applied as Principal Proceeds on the next succeeding Payment Date.

A "Credit Risk Obligation" in a Collateral Asset and, in the case of Synthetic Securities, a Reference Obligation (i) the rating of which has been downgraded, qualified or withdrawn by any Rating Agency or has been put on "negative credit watch" or similar status for possible downgrading, qualification or withdrawal from the ratings that were in place as of the date the Issuer purchased such Collateral Asset or entered into such Synthetic Security and in respect of which the Collateral Manager believes that, since such Collateral Asset was purchased or such Synthetic Security was entered into by the Issuer, it has a material risk of declining in credit quality or, with a lapse of time, a risk of becoming a Defaulted Obligation or (ii) in respect of which the Collateral Manager believes that, since such Collateral Asset was purchased or such Synthetic Security was entered into by the Issuer, it has a material risk of declining in credit quality or, with a lapse of time, a risk of becoming a Defaulted Obligation; provided that, if Moody's has withdrawn or reduced its long-term ratings on any of the Class C Notes, the Class A Notes or the Class B Notes by two or more subcategories below the ratings in effect on the Closing Date (disregarding any withdrawal or reduction if subsequent thereto Moody's has upgraded any such reduced or withdrawn ratings to at least one subcategory below the initial long-term rating) or if Moody's has withdrawn or reduced its long-term ratings on any of the Class C Notes or the Class D Notes by three or more subcategories below the ratings in effect on the Closing Date (disregarding any withdrawal or reduction if subsequent thereto Moody's has upgraded any such reduced or withdrawn ratings to at least two subcategories below the initial long-term rating), (a) such Reference Obligation or Collateral Asset has been downgraded by Moody's at least one or more rating subcategories since it was acquired by the Collateral Manager, or (b) Moody's has withdrawn or reduced its long-term ratings on any of the Class C Notes or the Class D Notes by two or more subcategories below the ratings in effect on the Closing Date (disregarding any withdrawal or reduction if subsequent thereto Moody's has upgraded any such reduced or withdrawn ratings to at least one subcategory below the initial long-term rating), (c) such Reference Obligation or Collateral Asset has been downgraded by Moody's at least one or more rating subcategories since it was acquired by the Collateral Manager, or (d) Moody's has withdrawn or reduced its long-term ratings on any of the Class C Notes or the Class D Notes by three or more subcategories below the ratings in effect on the Closing Date (disregarding any withdrawal or reduction if subsequent thereto Moody's has upgraded any such reduced or withdrawn ratings to at least one subcategory below the initial long-term rating), (e) such Reference Obligation or Collateral Asset has been downgraded by Moody's at least one or more rating subcategories since it was acquired by the Collateral Manager.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825464
issuer or placed by Moody's on a watch list with negative implications since the date on which such Reference Obligation or Collateral Asset was purchased by the issuer, (b) the Holders of a Majority of the Controlling Class vote to waive the requirement of subclause (a) of this provision or (c) such Reference Obligation or Collateral Asset has experienced an increase in credit spread of 10% or more compared to the credit spread at which such Reference Obligation or Collateral Asset was purchased by the issuer, determined by reference to an applicable index selected by the Collateral Manager (subject to the satisfaction of the Rating Agency Condition with respect to Moody's). The proceeds from the disposition of a Collateral Asset may not be reinvested in other Collateral Asset.

The issuer may also (i) in the case of an Auction, at the direction of the Collateral Manager, direct the Trustee to sell, terminate or assign and the Trustee shall sell, terminate or assign in the manner directed by the Collateral Manager in writing, the Collateral Assets and liquidate the remaining Collateral in connection with an Auction; provided, that the criteria for an Auction can be demonstrably met prior to any such sale and that the expected Liquidation Proceeds equal or exceed the Minimum Std Amount; (ii) in the case of a Tax Redemption, at the direction, or with the consent, of the Collateral Manager on any Payment Date, direct the Trustee to sell, terminate or assign, and the Trustee shall sell, terminate or assign in the manner directed by the Collateral Manager in writing, the Collateral Assets and liquidate the remaining Collateral in connection with a Tax Redemption, provided that the criteria for a Tax Redemption can be demonstrably met prior to any such sale and that the expected Liquidation Proceeds equal or exceed the Total Redemption Amount; and (iii) in the case of an Optional Redemption by Liquidation, at the direction of the Collateral Manager, direct the Trustee to sell, terminate or assign and the Trustee shall sell, terminate or assign in the manner directed by the Collateral Manager in writing, the Collateral Assets and liquidate the remaining Collateral in connection with an Optional Redemption by Liquidation; provided that the criteria for an Optional Redemption by Liquidation can be demonstrably met prior to any such sale and that the expected Liquidation Proceeds equal or exceed the Total Redemption Amount. See "Description of the Securities—Auction," "Tax Redemption" and "Optional Redemption by Liquidation."

Accounts

Pursuant to the Indenture, the issuer shall cause to be opened and at all times maintained the Collection Account, the Payment Account, the Expense Reserve Account, the Collateral Account, the Cashflow Swap Collateral Account, the Default Swap Collateral Account and the Synthetic Security Collateral Account (each as hereinafter defined), each of which shall be a segregated account or sub-account established with the Securities Intermediary in the name of the Trustee for the benefit of the Secured Parties as further described in the Indenture. Each Account is required to be maintained by the Trustee or by another financial institution that is an Eligible Depository.

All distributions on the Collateral Assets and any proceeds received from the disposition of any Collateral Assets, all net proceeds from, and associated with the issuance of the Notes and the Income Notes not used on the Closing Date to purchase Collateral Assets or Default Swap Collateral or to enter into Cashflow Swap Agreement or to be deposited to the Default Swap Collateral Account, the initial payment, if any, pursuant to the Cashflow Swap Agreement, any Cashflow Swap Receipt Amounts received prior to a Payment Date and any other amounts transferred to the Collection Account, the Collateral Account, the Cashflow Swap Termination Receipts Account, the Cashflow Swap Replacement Account, the Cashflow Swap Collateral Account, the Default Swap Collateral Account and the Synthetic Security Collateral Account (each as hereinafter defined), each of which shall be a segregated account or sub-account established with the Securities Intermediary in the name of the Trustee for the benefit of the Secured Parties as further described in the Indenture, will be held in an account (the "Collection Account") and will be available, together with any reinvestment earnings thereon, for application in accordance with the Priority of Payments.

On the Business Day prior to each Payment Date other than a Final Payment Date (the "Transfer Date"), the Trustee will instruct each of the Collateral Managers to transfer through the Collateral Manager's book entry system to the Collateral Account (to the extent not transferred to such Collateral Manager prior to the end of the related Due Period) any Cashflow Swap Receipt Amounts received on the Transfer Date related to such Payment Date for application in accordance with the Priority of Payments.

Principal Proceeds shall be deposited in the Collection Account and applied in accordance with the Priority of Payments except as otherwise provided herein.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825465
On the Closing Date, U.S. $200,000 from the net proceeds of the offering of the Securities will be deposited by the Trustee into a single, segregated account established and maintained by the Trustee under the Indenture (the "Expense Reserve Account"). On each Payment Date, to the extent that funds are available for such purpose in accordance with and subject to the limitations of the Priority of Payments, the Trustee will deposit into the Expense Reserve Account an amount from Proceeds such that the amount on deposit in the Expense Reserve Account (after giving effect to such deposit) will equal U.S. $200,000. Amounts on deposit in the Expense Reserve Account may be withdrawn from time to time to pay accrued and unpaid Administrative Expenses of the Issuers. With respect to the first Payment Date, funds on deposit in the Expense Reserve Account in excess of U.S. $200,000 will be transferred to the Trustee to the Payment Account for application as Interest proceeds. All funds on deposit in the Expense Reserve Account at the time when substantially all of the Issuer’s assets have been sold or otherwise disposed of will be transferred by the Trustee to the Payment Account for application as Proceeds on the immediately succeeding Payment Date.

The Synthetic Securities will require that the Issuer purchase or post Default Swap Collateral as security for its obligations under such Synthetic Security which complies with the criteria set forth in the Indenture and the Synthetic Securities. The Default Swap Collateral shall be deposited in a segregated and protected trust account (the “Default Swap Collateral Account”). The Default Swap Collateral Account shall be established in the name of the Trustee.

Any Cashflow Swap Collateral pledged by the Cashflow Swap Counterparty will be deposited by the Trustee into a segregated account (the “Cashflow Swap Collateral Account”) established in the name of the Trustee and held therein pursuant to the terms of the Cashflow Swap Agreement.

Under certain conditions described in the Synthetic Securities, the Synthetic Security Counterparty may be required to post collateral (“Synthetic Security Collateral”) under the terms of the related Synthetic Security. The Synthetic Security Collateral pledged by such Synthetic Security Counterparty will be deposited by the Trustee into a segregated account (the “Synthetic Security Collateral Account”) established in the name of the Trustee and held therein pursuant to the terms of the related Synthetic Security. A separate sub-account of the Synthetic Security Collateral Account shall be established for each Synthetic Security Counterparty.

Amounts retained in the Accounts during a Due Period will be invested in Eligible Investments.

Synthetic Securities

The following description of the Synthetic Securities is a summary of certain provisions of the Synthetic Securities but does not purport to be complete and prospective investors must refer to the Synthetic Securities for more detailed information. Copies of the Master Agreement and Confirmation will be available to investors from the Trustee. Capitalized terms not otherwise defined in this section will have the meanings set forth in the Master Agreement or Master Confirmation.

The Synthetic Securities will be structured as “pay-as-you-go” credit default swaps and will be documented pursuant to a 1992 ISDA Master Agreement (Multicurrency-Cross Border), including the Schedule thereto (the “Master Agreement”), between the Issuer and the Synthetic Security Counterparty, along with a confirmation (the “Master Confirmation”) evidencing a transaction with respect to each Reference Obligation referenced thereunder.

Each Synthetic Security will have a specified Reference Obligation Notional Amount that represents the dollar amount of the credit exposure which the Issuer is assuming thereunder with respect to the Reference Obligation related to such Synthetic Security. The “Aggregate Reference Obligation Notional Amount” is the sum of the Reference Obligation Notional Amounts of all Synthetic Securities. On or before the Closing Date, the Issuer expects to enter into Synthetic Securities with an Aggregate Reference Obligation Notional Amount of approximately U.S. $936,000,000. After the Closing Date, in accordance with the terms of the Master Confirmation, the Reference Obligation Notional Amount of each Synthetic Security will be: (i) decreased on each day on which a Reference Obligation Principal Payment is made by an amount equal to the relevant Reference Obligation Principal Amortization Amount; (ii) decreased on each day on which a Failure to Pay Principal occurs by an amount equal to the relevant

Confidential Treatment Requested by Goldman Sachs
Principal Shortfall Amount: (iii) decreased on each day on which a Write-down occurs by an amount equal to the relevant Write-down Amount; (iv) increased on each day on which a Write-down Reimbursement occurs by an amount equal to any Write-down Reimbursement Amount in respect of a Write-down Reimbursement within paragraphs (g) or (i) of the definition of "Write-down Reimbursement"; and (v) decreased on each Delivery Date by an amount equal to the relevant Exercise Amount minus the relevant amount determined pursuant to paragraph (g) under the heading, "Settlement Terms—Physical Settlement Amount" in the Master Confirmation; provided that, in accordance with the Master Confirmation, if any Relevant Amount is applicable, the Exercise Amount will also be deemed to be decreased by such Relevant Amount (or increased by the absolute value of such Relevant Amount if such Relevant Amount is negative) with effect from such Delivery Date.

The effective date of the Synthetic Securities will be the Closing Date and the Synthetic Securities will terminate by their terms on the scheduled termination date thereof referenced in the Master Confirmation (the "Scheduled Termination Date") unless a Credit Event occurs with respect to a Synthetic Security and the final physical settlement date is scheduled to occur after such date.

For purposes of the Coverage Tests and for purposes of determining whether a Synthetic Security is a Defeated Obligation or a Credit Risk Obligation, a Synthetic Security shall be included as a Collateral Asset having the characteristics of the Reference Obligation and not of the Synthetic Security; provided that if such Synthetic Security Counterparty is in default under the related Synthetic Security, such Synthetic Security shall not be included in the Coverage Tests or such Synthetic Security will be treated in such a way that will satisfy the Rating Agency Condition.

All principal payments on the Default Swap Collateral in the Default Swap Collateral Account will be invested in Eligible Investments at the direction of the Trustee until invested in Default Swap Collateral satisfying the Default Swap Collateral Eligibility Criteria at the direction of the Collateral Manager with the consent of the Synthetic Security Counterparty. Notwithstanding the foregoing, if and so long as the unsecured, unconditionally debt rating of the Synthetic Security Counterparty or the credit support provider for the Synthetic Security Counterparty, whichever is higher, assigned by Moody's is below "A1", all principal payments on the Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account will be maintained in Cash and Eligible Investments (unless otherwise required to be applied, in accordance with the terms of the Indenture, to either (i) payment of the Notes or other amounts in accordance with the Priority of Payments or (ii) the payment of Credit Protection Amounts) until such time as the balance of the Cash and Eligible Investments in the Default Swap Collateral Account is equal to the Aggregate Outstanding Amount of the Class A Notes and the Class B Notes. Furthermore, all principal payments on the Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account will be maintained in Cash and Eligible Investments (unless otherwise required to be applied, in accordance with the terms of the Indenture, to either (i) payment of the Notes or other amounts in accordance with the Priority of Payments or (ii) the payment of Credit Protection Amounts) such that the balance of the Cash and Eligible Investments in the Default Swap Collateral Account is at least equal to 120% of the projected amortization of the Aggregate Reference Obligation Nominal Amount for the following six month period (recalculated on each Determination Date). Principal Shortfall Reimbursement Payment Amounts and Write-down Reimbursement Payment Amounts received by the Issuer from the Synthetic Security Counterparty will be deposited in the Default Swap Collateral Account.

Payments by the Synthetic Security Counterparty

Pursuant to the Synthetic Securities, on each Fixed Rate Payment Date the Synthetic Security Counterparty will make a fixed rate payment (net of any related Interest Shortfall Amounts as described below and in the Master Confirmation) (the "Fixed Amount") to the Issuer, representing the aggregate Fixed Amounts payable with respect to the Reference Obligation Payment Date for the related Fixed Rate Payment Calculation Period. The Synthetic Security Counterparty will make certain other payments under the Synthetic Securities to the Issuer at the times and in the amounts described herein, including any Interest Shortfall Reimbursement Payment Amounts, Write-down Reimbursement Payment Amounts and any Principal Shortfall Reimbursement Payment Amounts (together "Additional Fixed Amounts"). In connection with any termination or assignment of a Synthetic Securities, proceeds, if any, from such termination or assignment will be deposited into the Default Swap Collateral Account.
Upon the occurrence of any Interest Shortfall with respect to any Reference Obligation, the Fixed Amount payable under the related Synthetic Security by the Synthetic Security Counterparty to the Issuer will be reduced by an amount equal to the related Interest Shortfall Payment Amount, such reduction amount not to exceed the Fixed Amount, if "fixed cap" is applicable, or such reduction amount not to exceed the applicable floating cap, if "variable cap" is applicable, as described in each Synthetic Security. Interest may accrue on any Interest Shortfall Payment Amount at a rate equal to LIBOR plus the fixed rate as specified in the applicable Synthetic Security. If any amount in satisfaction of the Interest Shortfall which gives rise to any Interest Shortfall Payment Amount, including interest accrued thereon, is later paid with respect to a Reference Obligation, the Synthetic Security Counterparty will pay such amount, or in certain circumstances a portion of such amount to the Issuer as an Interest Shortfall Reimbursement. Interest Shortfall Reimbursement Amounts will not exceed the cumulative Interest Shortfall Amounts (including any interest thereon) previously determined in relation to such Reference Obligation.

So long as the long-term ratings of the Synthetic Security Counterparty or any guarantor of the Synthetic Security Counterparty's obligation under a Synthetic Security are equal to or higher than (i) "AA" by Moody's (and, if rated "A1" by Moody's, is not on watch for possible downgrade) and (ii) "Aa2" by S&P (and, if rated "Aa2" by S&P, is not on watch for possible downgrade), the Fixed Amount due by the Synthetic Security Counterparty will be payable in arrears. However, if the long-term ratings of the Synthetic Security Counterparty or any guarantor fell below any such levels, the Synthetic Security Counterparty will be required to pay the Fixed Amount due under the Synthetic Security in advance. The failure of the Synthetic Security Counterparty to pay the Fixed Amount in advance if such rating levels are no longer satisfied will constitute an "event of default" under the terms of the Synthetic Security with the Synthetic Security Counterparty as the sole "Defaulting Party" under such Synthetic Security.

With respect to any Withdrawal Amount or Interest Shortfall Amounts received after the long-term rating of the Synthetic Security Counterparty is lower "Aa2" by S&P, the Synthetic Security Counterparty will be required to reserve the related Withdrawal Reserve Amount and Interest Shortfall Reserve Amount in the Synthetic Security Counterparty Collateral Account in accordance with the terms of the Synthetic Security.

Payments by the Issuer

Under the Synthetic Securities, the Issuer will be required to pay certain Floating Amounts to the Synthetic Security Counterparty following the occurrence of a Floating Amount Event with respect to a Reference Obligation as described herein. The Issuer will pay Floating Amounts to the Synthetic Security Counterparty on the Floating Rate Payer Payment Date following the occurrence of a Floating Amount Event with respect to the related Reference Obligation.

Following the occurrence of a Credit Event with respect to a Reference Obligation, the Synthetic Security Counterparty may deliver such Reference Obligation to the Issuer in exchange for which the Issuer will pay to the Synthetic Security Counterparty an amount (a "Physical Settlement Amount"), which amount shall be calculated in accordance with the related Synthetic Security and paid on the related Physical Settlement Date. The Synthetic Security Counterparty may elect to physically settle a Synthetic Security only in part, in which case, there may be more than one Physical Settlement Amount payable by the Issuer with respect to such Synthetic Security.

Any Deliverable Obligation delivered to the Issuer will be deemed to be a Collateral Asset and may be retained or sold by the Issuer at the sole discretion of the Collateral Manager without regard to whether such sale would be permitted as a sale of a Delinquent Obligation or a Credit Risk Obligation. The proceeds of such sale will be deposited by the Trustee into the Default Swap Collateral Account net of purchased accrued Interest or Interest payments thereon. In addition, any principal proceeds or interest received on such Deliverable Obligations prior to such sale, will be deposited by the Trustee into the Collateral Account.

In connection with any early termination or assignment of a Synthetic Security, the Issuer may own a Synthetic Security Termination Payment. Synthetic Security Termination Payments will generally be paid directly and outside of the Priority of Payment, provided that Defaulted Synthetic Security Termination Payments will be paid in accordance with the Priority of Payments.
The obligations of the issuer to make payments under a Synthetic Security will exist irrespective of whether the Synthetic Security Counterparty suffers a loss on the related Reference Obligation upon the occurrence of a Credit Event. The issuer will have no rights of subrogation under the Synthetic Securities.

Credit Events and Floating Amount Events

A Credit Event with respect to any Synthetic Security and a Reference Obligation means the occurrence of any of the events specified in the Master Confirmation as a Credit Event on or before the scheduled termination date for such Synthetic Security. The Credit Events are expected to be Failure to Pay Principal, Writedown, Distressed Ratings Downgrade and Failure to Pay Interest. In addition to Credit Events which may trigger physical settlement, the Synthetic Securities will require the issuer to pay to the Synthetic Security Counterparty Floating Amounts in connection with the occurrence of Floating Amount Events, which are expected to be Failure to Pay Principal, Writedown and Interest Shortfall. Failure to Pay Principal and Writedown are Floating Amount Events as well as Credit Events. Interest Shortfall is only a Floating Amount Event. The Master Confirmation may alter the standard definitions of such terms and the actual Synthetic Securities should be consulted for the details of the Credit Events applicable thereto. The capitalized terms used in this section and not otherwise defined, have the meanings set forth in the related Synthetic Securities.

A “Credit Event” is the occurrence of any of the following (however caused, directly or indirectly), as applicable:

(i) Failure to Pay Principal

“Failure to Pay Principal” means (i) a failure by the Reference Obligor (or any Insurer) to pay an Expected Principal Amount on the Final Amortization Date or the Legal Final Maturity Date, as the case may be or (ii) payment on any such day of an Actual Principal Amount that is less than the Expected Principal Amount, provided that the failure by the Reference Obligor (or any Insurer) to pay any such amount in respect of principal in accordance with the foregoing shall not constitute a Failure to Pay Principal if such failure has been remedied within any grace period applicable to such payment obligation under the underlying instruments or, if no such grace period is applicable, within nine Business Days after the day on which the Expected Principal Amount was scheduled to be paid.

(ii) Writedown

“Writedown” means the occurrence at any time on or after the Effective Date of: (a) a writedown or an applied loss (however described in the underlying instruments) resulting in a reduction in the Outstanding Principal Amount (other than as a result of a scheduled or unscheduled payment of principal); or (b) the attribution of a principal deficiency or realized loss (however described in the underlying instruments) to the Reference Obligation resulting in a reduction of the current interest payable on the Reference Obligation; (c) the forgiveness of any amount of principal by the holders of the Reference Obligation pursuant to an amendment to the underlying instruments resulting in a reduction in the Outstanding Principal Amount; or (d) if the underlying instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in (i) above to occur in respect of the Reference Obligation, an Implied Writedown Amount (if Implied Writedown Amounts are applicable to the related Synthetic Security) being determined in respect of the Reference Obligation by the Calculation Agent.

(iii) Distressed Ratings Downgrade

“Distressed Ratings Downgrade” means with respect to a Reference Obligation:

(i) if publicly rated by Moody’s, (A) is downgraded to “Caaz” or below by Moody’s or (B) has the rating assigned to it by Moody’s withdrawn and, in either case, not reinstated within five Business Days of such downgrade or withdrawal; provided that if such Reference Obligation was assigned a public rating of at least “Baa3” or higher by Moody’s immediately prior to the occurrence of such withdrawal, it shall not constitute a Distressed Ratings Downgrade if such reference rating is assigned a public rating of at least “Caaz” by Moody’s within three calendar months after such withdrawal; or
(v) If publicly rated by Standard & Poor's, (A) is downgraded to "CCC" or below by Standard & Poor's or (B) has the rating assigned to it by Standard & Poor's withdrawn and, in either case, not reinstated within five business days of such downgrade or withdrawal: provided that if such Reference Obligation was assigned a public rating of at least "BBB" or higher by Standard & Poor's immediately prior to the occurrence of such withdrawal, it shall not constitute a Distressed Ratings Downgrade if such Reference Obligation is assigned a public rating of at least "CCC" by Standard & Poor's within three calendar months after such withdrawal; or

(vi) If publicly rated by Fitch, (A) is downgraded to "CCC" or below by Fitch or (B) has the rating assigned to it by Fitch withdrawn and, in either case, not reinstated within five business days of such downgrade or withdrawal: provided that if such Reference Obligation was assigned a public rating of at least "BBB" or higher by Fitch immediately prior to the occurrence of such withdrawal, it shall not constitute a Distressed Ratings Downgrade if such Reference Obligation is assigned a public rating of at least "CCC" by Fitch within three calendar months after such withdrawal.

(vii) Failure to Pay Interest: “Failure to Pay Interest” means, with respect to a Reference Obligation, the occurrence of an Interest Shortfall Amount or Interest Shortfall Amounts (calculated on a cumulative basis) in excess of the relevant Payment Requirement.

Implied Writedown will be applicable with respect to certain Reference Obligations where "Flood Cap" is applicable under the Master Confirmation. Because most CDO Securities do not experience actual writedowns, the Master Confirmation has a modified form of Implied Writedown applicable to CDO Securities, whereby the Synthetic Security Counterparty, acting in its role as calculation agent thereunder, will be required to determine the Implied Writedown Amount by reference to the reported overcollateralization ratio in the servicer report for the Reference Obligation, provided, however, that if the overcollateralization ratio for the Reference Obligation is not reported there, the Synthetic Security Counterparty in its capacity as calculation agent may use other amounts, to the extent set forth in the servicer report, to determine an overcollateralization ratio. The overcollateralization ratio in the servicer report generally will take into account the "haircuts" on assets provided in the Underlying Instruments for the Reference Obligation (for example, on assets that have been downgraded, have "PIKeds," have defaulted or were purchased at a discount), which will make an Implied Writedown more likely to occur on the Reference Obligation.

Credit Events must be physically settled with respect to a Distressed Ratings Downgrade and Failure to Pay Interest; provided, however, that if the Reference Obligation is a PKable Reference Obligation, it will be a condition to physical settlement that a period of at least 360 calendar days have elapsed since the occurrence of the Failure to Pay Interest without reimbursement in full of the relevant Interest Shortfall. In the case of a Writedown or a Failure to Pay Principal, the Synthetic Security Counterparty may elect to receive a Floating Amount Payment from the Issuer rather than physical settlement. Multiple Credit Event notices may be delivered with respect to each Synthetic Security.

The Synthetic Security Counterparty will be required to reimburse the Issuer for all or part of any Floating Amount Payment if a corresponding payment has been made by the Reference Obligor to holders of the related Reference Obligation within one year after the earlier of (i) the legal final maturity date of the Reference Obligation underlying such Synthetic Security, as set forth in such Synthetic Security, and (ii) the related Final Amortization Date. However, in the case of an Interest Shortfall Reimbursement with respect to a Synthetic Security, the Synthetic Security Counterparty generally will be entitled to receive recovery of any portion of an Interest Shortfall under such Synthetic Security for which it was not compensated by the Issuer before it makes any payment to the Issuer in respect of an Interest Shortfall Reimbursement.

Synthetic Security Early Termination

The Issuer will have the right to terminate the Synthetic Securities upon the occurrence of an "Event of Default" or "Termination Event," including, but not limited to, (a) payment defaults by the Synthetic Security Counterparty and any guarantor lasting a period of at least three local business days,

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825470
(b) a default by the Synthetic Security Counterparty or any guarantor on specific financial transactions as specified in the Synthetic Security, (c) bankruptcy-related events applicable to the Synthetic Security Counterparty or any guarantor, (d) any redemption of the Notes in whole or in part, (e) a liquidation of the Collateral following the occurrence of an Event of Default under the Indenture, (f) it becomes unlawful for the Issuer to perform its obligations under the Synthetic Securities and the Issuer is not able to transfer its obligations to a different jurisdiction or substitute another entity in its place so that such illegality ceases to apply, (g) because of (x) any action taken by a taxing authority, or brought in a court, on or after the Closing Date or (y) a change in tax law, there is a substantial likelihood that the Issuer will be required to (1) make a "gross-up" payment or (2) receive a payment subject to withholding for which another party is not required to make a "gross-up" payment or (h) the unsecured, unsecured debt rating of the Synthetic Security Counterparty or any guarantor of the Synthetic Security Counterparty, whichever is higher, assigned by S&P or Moody's at any time falls below "AA" (or is on downgrade watch at "AA"), (i) if the Synthetic Security Counterparty fails to make an Expected Fixed Amount as set forth in the Synthetic Securities and the Synthetic Security Counterparty, or its guarantor, fails to either (a) transfer all of its rights and obligations under the Synthetic Securities to another entity which has such ratings or (b) cause an entity which has such ratings to guarantee or provide an indemnity in respect of the Synthetic Security Counterparty's or its guarantor's obligations under the Synthetic Securities which satisfies the Rating Agency Condition.

The Synthetic Security Counterparty will have the right to terminate the Synthetic Securities upon the occurrence of an "Event of Default" or "Termination Event" under the Synthetic Securities, including, but not limited to: (a) an Event of Default under the Indenture caused by a payment default by the Issuer lasting a period of at least three local business days, (b) any redemption of the Notes in whole or in part, (c) bankruptcy-related events applicable to the Issuer, (d) an Event of Default under the Indenture that occurs and is continuing and there has been a liquidation (in whole), or the commencement of a liquidation (in whole) of the assets of the Issuer; (e) the Indenture is supplemented or amended without the consent of the Synthetic Security Counterparty as described therein, (f) the Synthetic Security Counterparty is no longer a Secured Party under the Indenture or the Trustee's security interest in the Default Swap Collateral or the Default Swap Collateral Account is impaired or no longer existing, (g) it becomes unlawful for the Synthetic Security Counterparty to perform its obligations under the Synthetic Securities and the Synthetic Security Counterparty is not able to transfer its obligations to a different jurisdiction or substitute another entity in its place so that such illegality ceases to apply, or (h) because of (x) any action taken by a taxing authority, or brought in a court, on or after the Closing Date or (y) a change in tax law, there is a substantial likelihood that the Synthetic Security Counterparty will be required to (1) make a "gross-up" payment or (2) receive a payment subject to withholding for which another party is not required to make a "gross-up" payment. If the Synthetic Securities are terminated, the Issuer will no longer receive payments from the Synthetic Security Counterparty and will likely not have sufficient funds to make payments when due on the Notes and may not have sufficient funds to redeem the Notes in full.

The Issuer is required to satisfy the Rating Agency Condition prior to any (i) replacement of the Synthetic Security Counterparty or (ii) assignment of the Synthetic Securities. No such replacement or assignment will be effective unless (1) the replacement or assignment is acceptable to the Rating Agencies and (2) the Issuer has received written confirmation from the Rating Agencies that the replacement or assignment will not result in a change to the Issuer's credit rating.

The Issuer is required to satisfy the Rating Agency Condition prior to any (i) replacement of the Synthetic Security Counterparty or (ii) assignment of the Synthetic Securities. No such replacement or assignment will be effective unless (1) the replacement or assignment is acceptable to the Rating Agencies and (2) the Issuer has received written confirmation from the Rating Agencies that the replacement or assignment will not result in a change to the Issuer's credit rating.

(iii) any other physical settlement amount owed by the Issuer to the Synthetic Security Counterparty for any Credit Events that occur on or prior to the termination date of the Synthetic Securities for which the Conditions to Settlement have been satisfied.

Payment of Synthetic Security Early Termination Payments by the Issuer. Upon the occurrence of an early termination of a Synthetic Security, the Issuer will be required to pay to the Synthetic Security Counterparty the following amounts:

(i) any physical settlement amounts owed by the Issuer to the Synthetic Security Counterparty for any credit events that occur on or prior to the termination date of the Synthetic Securities for which the Conditions to Settlement have been satisfied; and

(ii) any Synthetic Security Termination Payment due to the Synthetic Security Counterparty.
Payments by the Synthetic Security Counterparty. Upon the occurrence of an early termination of a Synthetic Security, the Synthetic Security Counterparty will be required to pay to the Issuer the following amounts:

(i) any accrued but unpaid Fixed Amounts and Additional Fixed Amounts; and

(ii) any Synthetic Security Termination Payment due to the Issuer.

There can be no assurance that, upon early termination by the Issuer or the Synthetic Security Counterparty, either the Synthetic Security Counterparty would be required to make any termination payment to the Issuer or, if it did make such a payment, the amount of the termination payment made by the Synthetic Security Counterparty would be sufficient to pay any amounts due in respect of the Notes. If the Issuer is required to make a Synthetic Security Termination Payment, such termination payment may be substantial and may result in losses to the holders of the Notes.

Amendment

The Synthetic Securities may be amended only with (i) the satisfaction of the Rating Agency Condition and (ii) the consent of the Collateral Manager (which consent shall not be unreasonably withheld), provided however, that with respect to (i), such condition need not be satisfied with respect to any amendment that corrects a manifest error.

Guarantee

The GS Group will guarantee the obligations of the Synthetic Security Counterparty under the Synthetic Security.

The Synthetic Security Counterparty

The initial Synthetic Security Counterparty under the Synthetic Security will be Goldman Sachs International. The swap guarantor with respect to the Synthetic Security is The Goldman Sachs Group, Inc., a Delaware corporation (the “GS Group”), which is an affiliate of the Synthetic Security Counterparty. Goldman Sachs International is located at PeterborOUGH Court, 133 Fleet Street, London EC4A 2BB.

The Annual Report on Form 10-K for the fiscal year ended November 30, 2006 filed by GS Group with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules) will not form part of a prospectus prepared for the purposes of admission to the official list of the Irish Stock Exchange and to trading on its regulated market should any Notes be listed on such exchange.

GS Group, together with its subsidiaries, is a global investment banking, securities and investment management firm that provides financial services worldwide to clients that include corporations, financial institutions, governments and high net-worth individuals.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this Offering Circular, or contained in this Offering Circular, will be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. GS Group’s filings with the SEC are available to the public through the SEC’s Internet site at http://www.sec.gov. and through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which GS Group’s common stock is listed.

The Notes do not represent an obligation of, and will not be insured or guaranteed by, GS Group or any of its subsidiaries and investors will have no rights or recourse against GS Group or any of its subsidiaries.
The Default Swap Collateral

Pursuant to the Synthetic Securities, the Issuer will use the net proceeds from the offering of the Notes to purchase Default Swap Collateral and Eligible Investments which, in the aggregate, will have an initial principal amount of the Closing Date of approximately U.S.$500,000,000, which shall be deposited to the Default Swap Collateral Account.

The Default Swap Collateral is required to satisfy the following "Default Swap Collateral Eligibility Criteria":

(i) if (a) is rated "Aa" by Moody’s and, if such asset has a short-term rating from Moody’s, "P-1", and "AAA" by S&P, and, if such asset has a short-term rating from S&P, it must be "A-1" and (b) does not have a "Y", "Y^", "P" or "Y" subscript;

(ii) in all cases, the payments with respect to which are not payable in a currency other than U.S. Dollars and (b) it is expected to have a notional principal balance of less than U.S.$1,000 after the Stated Maturity of the Class B Notes, assuming a constant prepayment rate since the date of purchase equal to the constant prepayment rate reasonably expected by the Collateral Manager as of the date of purchase;

(iii) if eligible to be entered into by, sold or assigned to, the Issuer;

(iv) it is not subject to an offer;

(v) it is an obligation upon which no payments are subject to withholding tax imposed by any jurisdiction unless the obligor thereof is required to make "gross-up" payments that cover the full amount of any such withholding taxes on an after-tax basis;

(vi) after taking into consideration the addition of any such security (a) at least 40% of the Default Swap Collateral accrued after the Closing Date and Eligible Investments in the Default Swap Collateral Account by principal balance have an expected average life (calculated by the Collateral Manager) (1) based on market prepayment assumptions (2) assuming that Eligible Investments have a weighted average life of zero) of less than or equal to 1.0 year, (b) 100% of the Default Swap Collateral accrued after the Closing Date and Eligible Investments in the Default Swap Collateral Account by principal balance have an expected average life (calculated by the Collateral Manager (1) based on market prepayment assumptions (2) assuming that Eligible Investments have a weighted average life of zero) of less than or equal to 2.0 years, and (c) after Closing Date, the expected weighted average life (calculated by the Collateral Manager) based on market prepayment assumptions (2) assuming that Eligible Investments have a weighted average life of zero of the Default Swap Collateral accrued after the Closing Date and Eligible Investments in the Default Swap Collateral Account does not exceed the expected weighted average life of the portfolio of Reference Obligations at such time;

(vii) after taking into consideration the addition of any such security, the aggregate of the weighted average spread and the rate of the stated index of the Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account, in the aggregate, is at least equal to LIBOR plus 0.05% per annum or if prior to acquisition of such form of Default Swap Collateral or Eligible Investment, the spread and the rate of the related index of the Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account was less than LIBOR plus 0.05% per annum, such acquisition would maintain or improve the aggregate of the weighted average spread and the rate of the related index of the Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account;

(viii) after taking into consideration the addition of any such security, no more than 50% of the Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account by principal balance has single counterparty exposure including servicer, issuer and swap counterparty exposure;

(ix) it provides for payments of monthly periodic interest in cash at a floating rate and for a payment of principal in full and in cash at its final maturity;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825473
(v) (A) either (1) constitutes a Residential Mortgage-Backed Security, a Commercial Mortgage-Backed Security, an Asset-Backed Security or a CDO Security which in each instance was either (a) offered by an underwriter, a placement agent or any person acting in a similar capacity through a public prospectus, a private placement memorandum or any other similar document, as to which neither the Collateral Manager nor any affiliate thereof was either the underwriter, collateral manager, placement agent or otherwise involved in the negotiation of the terms or the conditions thereof and as to which a substantial amount of the security was acquired by one or more persons unrelated to the issuer, the Collateral Manager or any other structured finance vehicle managed or controlled by the Collateral Manager substantially contemporaneously with, and on substantially the same terms as, the securities acquired by the issuer or (b) (i) acquired on the secondary market, (ii) not acquired directly or indirectly from the issuer of such security pursuant to a legally binding agreement made prior to the second business day after the issuance of such security, (iii) not acquired from the Collateral Manager, its Affiliates or any other structured finance vehicle managed or controlled by the Collateral Manager unless such entity regularly acquires securities of the same type for its own account, could have held the security for its own account consistent with its investment policies, did not identify the security as intended for sale to the issuer within 60 days of its issuance and held the security, without any hedge with the issuer, for at least 90 days and (iv) as to which neither the Collateral Manager nor any Affiliate thereof was involved in the negotiation of the terms or conditions of the security or (2) satisfies the definition of an "Eligible Investment"; (B) is not a United States real property interest within the meaning of Section 897 of the Code and (C) is treated as debt for U.S. federal income tax purposes.

(vi) if it is a CDO Security, such CDO Security must (a) be a CDO S Note Security and (b) as of the time of purchase by the issuer, be in compliance with the applicable eligibility criteria, profile tests and other tests set forth in the related underlying instruments.

(vii) at least 87.5% of the Default Swap Collateral by principal balance consists of Asset-Backed Securities, Residential Mortgage-Backed Securities or Commercial Mortgage-Backed Securities;

(viii) the purchase price thereof is equal to at least 98% of the par value of such security and

(ix) it is a security the acquisition (including the manner of acquisition), ownership or dispossession of which will not cause the Issuer to be treated as engaged in a trade or business within the United States for United States federal income tax purposes.

The Default Swap Collateral is expected to be purchased in a face amount equal to the Initial Aggregate Notional Amount of the Synthetic Securities. Under the terms of the Indenture, all Default Swap Collateral is required to be deposited in the Default Swap Collateral Account for the benefit of the Synthetic Security Counterparty. The Issuer will also grant to the Trustee for the benefit of the Secured Parties, a security interest in the Default Swap Collateral, subject to the lien of the Synthetic Security Counterparty, and shall notify the Synthetic Security Counterparty of such security interest. The Issuer must obtain the consent of the Synthetic Security Counterparty with respect to any Initial Default Swap Collateral purchased by the Issuer and any Default Swap Collateral purchased thereon.

Interest payments, redemption premiums, dividend distributions, investment earnings on and any fees paid with respect to any Default Swap Collateral will constitute property of the Issuer and will be paid to the Trustee and deposited into the Collection Account and treated as Proceeds unless such amounts are required to be paid to the related Synthetic Security Counterparty under the terms of the related Synthetic Security. Principal payments on the Default Swap Collateral prior to the termination of the Synthetic Securities shall be held in accordance with the Synthetic Securities in the Default Swap Collateral Account and invested in Eligible investments until reinvested in Default Swap Collateral which satisfy the Default Swap Collateral Eligibility Criteria with the consent of the Synthetic Security Counterparty.

In the event a Synthetic Security is terminated prior to its scheduled maturity without the occurrence of a Credit Event or a Floating Amount Event, the Collateral Manager on behalf of the Issuer shall cause such portion of the related Default Swap Collateral chosen by the Synthetic Security Counterparty as may be required to make any Synthetic Security Termination Payments, to be liquidated

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021325474
and any such Synthetic Security Termination Payments to be paid directly to the Synthetic Security Counterparty, provided that, in the case of defaulted Synthetic Security Termination Payments, such amounts will be deposited to the Collection Account and paid in accordance with the Priority of Payments. The remaining related Default Swap Collateral to the extent not required to be pledged to the related Synthetic Security Counterparty shall be released from the lien of the Synthetic Security Counterparty and delivered to the Trustee free of such lien. In the event that no Credit Event or Floating Amount Event under a Synthetic Security has occurred prior to the scheduled maturity of the Synthetic Security, upon the scheduled maturity of the Synthetic Security, the Synthetic Security Counterparty's lien on the Default Swap Collateral shall be released and the Collateral Manager on behalf of the Issuer shall cause such Default Swap Collateral to be delivered to the Trustee free of such lien. Upon release of the lien of the Synthetic Security Counterparty, the Issuer shall direct the Trustee to take any specific actions necessary to create in favor of the Trustee a valid, perfected, first priority security interest in such Default Swap Collateral under applicable law and regulations for the benefit of the Secured Parties. Any Default Swap Collateral released from the lien of the Synthetic Security Counterparty shall be treated as a Collateral Asset and may be retained by the Trustee or sold by the Collateral Manager in the sole discretion of the Collateral Manager without regard to whether such sale would be permitted as a sale of a Defaulted Obligation or a Credit Risk Obligation; provided that no Event of Default has occurred and is continuing. Any Proceeds net of purchase accrued interest or interest payments received upon the maturity or liquidation of the Default Swap Collateral released from the lien of the Synthetic Security Counterparty shall be deposited to the Default Swap Collateral Account.

Upon the occurrence of a Credit Event or Floating Amount Event under a Synthetic Security, the Default Swap Collateral chosen by the Synthetic Security Counterparty after the application of any cash and Eligible Investments on deposit in the Default Swap Collateral Account will be sold by the Collateral Manager in a sale arranged by the Collateral Manager and any amounts owed to the Synthetic Security Counterparty will be paid by the Issuer from the liquidation proceeds of such Default Swap Collateral. In the event such liquidation proceeds are less than par, the Synthetic Security Counterparty will accept the liquidation proceeds applicable to the face amount of Default Swap Collateral sold which is equal to the amount due to the Synthetic Security Counterparty. In addition, under certain circumstances upon the occurrence of a Credit Event, the Default Swap Collateral chosen by the Synthetic Security Counterparty will instead be delivered to the Synthetic Security Counterparty in exchange for a Deliverable Obligation. Any Deliverable Obligation delivered to the Issuer will be deemed to be a Collateral Asset and may be retained or sold by the Issuer at the sole discretion of the Collateral Manager without regard to whether such sale would be permitted as a sale of a Defaulted Obligation or a Credit Risk Obligation. Any Proceeds net of purchased accrued interest or interest payments received upon the maturity or liquidation of a Deliverable Obligation shall be deposited to the Default Swap Collateral Account. In the event a Credit Event has occurred and the Issuer is required to liquidate Default Swap Collateral and deliver cash to the Synthetic Security Counterparty, the Synthetic Security Counterparty will bear any mark-to-market risk on the liquidation of the Default Swap Collateral.

The Synthetic Security Counterparty has the right to purchase any Default Swap Collateral being sold for less than its par amount at a price equal to the highest bid received for such Default Swap Collateral. The Collateral Manager shall provide the Synthetic Security Counterparty prior notice of the price at which any Default Swap Collateral is being sold prior to such sale.

Reports

A report will be made available to the Holders of the Notes and Holders of the Income Notes and will provide information on the Collateral Assets as well as information with respect to payments made on the related Payment Date (each, a "Payment Report"), beginning in September 2007.

The information in each Payment Report will be prepared as of the Determination Date preceding the related Payment Date and will set out, among other things, the amounts payable in accordance with the Priority of Payments on such Payment Date. The Issuer will instruct the Trustee to transfer the amounts set forth in such Payment Report in the manner specified in, and in accordance with, the Priority of Payments. As long as any Notes are listed on any stock exchange, the Payment Reports will be obtainable at the office of the Listing and Paying Agent.
Cashflow Swap Agreement

General. On the Closing Date, the Issuer will enter into a Cashflow Swap Agreement with Goldman Sachs International ("GS") as initial Cashflow Swap Counterparty. The Issuer may replace the Cashflow Swap Agreement but shall not enter into any additional hedge agreements after the Closing Date.

Pursuant to the Cashflow Swap Agreement, on each Payment Date occurring through the termination of the Cashflow Swap Agreement in accordance with the Priority of Payments, the Issuer will pay certain amounts to the Cashflow Swap Counterparty and the Cashflow Swap Counterparty will make advances to the Issuer in an amount equal to certain Cashflow Swap Shortfall Amount as described in the Cashflow Swap Agreement. Any Cashflow Swap Shortfall Amount paid under the Cashflow Swap Agreement by the Cashflow Swap Counterparty to the Issuer will accrue interest and be repaid to the Cashflow Swap Counterparty in accordance with the Priority of Payments. See "Description of the Notes — Payments on the Notes — Priority of Payments." To the extent the Issuer would have insufficient funds available to pay interest on the Class S Notes, the Class A Notes or the Class B Notes on a Payment Date as a result of any of the Collateral Assets deferring the payment of interest due thereon in accordance with its terms, interest on the Class S Notes, the Class A Notes and the Class B Notes will be payable by the Issuer from the amounts advanced by the Cashflow Swap Counterparty to the Issuer under the Cashflow Swap Agreement up to $50,000,000 (as reduced in accordance with the Cashflow Swap Agreement); provided that the Cashflow Swap Counterparty will not make advances to cover any shortfall resulting from any Collateral Asset deferring interest beyond the second year.

The Issuer shall ensure that the Cashflow Swap Agreement shall provide that the Cashflow Swap Counterparty will agree (a) that the Issuer's obligations under the Cashflow Swap Agreement are limited recourse obligations of the Issuer payable solely from the Collateral and subordinated as set forth in the Priority of Payments and (b) to a standard non-petition clause, and (c) that such Cashflow Swap Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Payments (other than Defaulted Cashflow Swap Termination Payments) due to the Cashflow Swap Counterparty under the Cashflow Swap Agreement shall be paid, in accordance with the Priority of Payments, prior to any payments on the Securities, from Proceeds available thereon on each Payment Date. The claims of the Cashflow Swap Counterparty shall rank pari passu with the claims of other Cashflow Swap Counterparties entitled to receive payments at the same level of priority within the Priority of Payments. Defaulted Cashflow Swap Termination Payments shall be paid after payment of Principal Proceeds to the Notes in accordance with the Priority of Payments.

Pursuant to the initial Cashflow Swap Agreement, the Issuer may terminate the initial Cashflow Swap Agreement if (A) the Moody's First Rating Trigger Requirements apply and 30 or more local business days have elapsed since the last time the Moody's First Rating Trigger Requirements did not apply and GS has failed to comply with or perform any obligation to be complied with or performed under the Credit Support Annex, and (B) (x) the Moody's Second Rating Trigger Requirements apply and 30 or more local business days have elapsed since the last time the Moody's Second Rating Trigger Requirements did not apply and (y) (i) an Eligible Replacement has not become the transferee of a transfer made in accordance with Part 55(3) of the Cashflow Swap Agreement, subject to satisfaction of the Rating Agency Condition and/or (ii) an entity with the Moody's First Trigger Required Ratings has not provided an Eligible Quaker in respect of all of the initial Cashflow Swap Counterparty's present and future obligations under the Cashflow Swap Agreement.

The Cashflow Swap Agreement may be terminated, whether or not the Notes have been paid in full on or prior to such termination, upon, among other things, (i) certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization of the Issuer or the related Cashflow Swap Counterparty, (ii) failure on the part of the Issuer or the related Cashflow Swap Counterparty to make any payment under the Cashflow Swap Agreement within the applicable grace period, (iii) certain withholding or other taxes being imposed on payments to be made under the Cashflow Swap Agreement as set forth in Sections 10(b)(i) and (ii) of the ISDA Master Agreement incorporated in the Cashflow Swap Agreement, (iv) a change in law making it illegal for either the Issuer or the related Cashflow Swap Counterparty to be
a party to, or perform an obligation under, the Cashflow Swap Agreement, (v) an Event of Default under the Indenture occurs and is continuing and there has been a liquidation (in whole) or the commencement of a liquidation (in part) of the assets of the Issuer, (vi) the Indenture is supplemented or amended without the consent of the Cashflow Swap Counterparty as described therein, (vii) the Cashflow Swap Counterparty is no longer a Secured Party under the Indenture or (viii) the aggregate Principal Balance of the Collateral Assets is less than U.S. $50,000,000. Notwithstanding the foregoing, the Issuer will not optionally terminate any Cashflow Swap Agreement unless the Rating Agency Condition is satisfied in connection with such termination.

A termination of a Cashflow Swap Agreement will not constitute an Event of Default under the Indenture. Although the Issuer believes that any such termination is unlikely, the Issuer has agreed to use reasonable efforts to enter into a substitute Cashflow Swap Agreement on similar terms to the extent that the Issuer is able to enter into such an agreement, and shall apply any termination receipts to the purchase of a new Cashflow Swap Agreement. If the Issuer is unable to obtain a substitute Cashflow Swap Agreement, interest due on the Notes will be paid from amounts received on the Collateral Assets and Deficit Swap Collateral without the benefit of any Cashflow Swap Agreement. There can be no assurance that such amounts will be sufficient to provide for the full payment of interest on the Notes, or that amounts would otherwise be distributable to the Holders of the Income Notes will not be reduced.

In the event of any early termination of a Cashflow Swap Agreement (i) any Cashflow Swap Termination Receipts paid to the Issuer and not concurrently applied in connection with the Issuer's entering into a replacement Cashflow Swap Agreement will be deposited in a single, segregated trust account held in the name of the Trustee (the "Cashflow Swap Termination Receipts Account") for the benefit of the Secured Parties and (ii) any amounts received by the Issuer from a replacement counterparty in consideration for entering into a substantially similar replacement agreement that preserves for the Issuer the economic equivalent of the terminated Cashflow Swap Agreement ("Cashflow Swap Replacement Proceeds") will be deposited in a single, segregated trust account held in the United States in the name of the Trustee (the "Cashflow Swap Replacement Account") for the benefit of the Secured Parties.

The Collateral Manager may cause the Issuer, promptly following the early termination of a Cashflow Swap Agreement (other than with respect to a Final Payment Date) and to the extent possible through application of funds available in the Cashflow Swap Termination Receipts Account, to enter into a replacement Cashflow Swap Agreement (a "Replacement Cashflow Swap Agreement") which may have different terms, including different notional amounts, provided that the Rating Agency Condition is satisfied.

If (i) the funds available in the Cashflow Swap Termination Receipts Account exceed the costs of entering into a Replacement Cashflow Swap Agreement, (ii) the Collateral Manager determines not to replace the terminated Cashflow Swap Agreement and the Rating Agency Condition is satisfied, or (iii) the termination is occurring with respect to a Final Payment Date, then amounts in the Cashflow Swap Termination Receipts Account (after providing for the costs of entering into a Replacement Cashflow Swap Agreement, if any) will be transferred to the Collateral Account on the next following Transfer Date and will be invested as Principal Proceeds and distributed in accordance with the Priority of Payments on the next Payment Date (or on such Final Payment Date, in the event the Notes are redeemed in full thereon).

If a Cashflow Swap Agreement is terminated and the costs of entering into a Replacement Cashflow Swap Agreement exceed the funds on deposit and available therein in the Cashflow Swap Termination Receipts Account, then, after using the funds in the Cashflow Swap Termination Receipts Account, the Issuer may enter into a Replacement Cashflow Swap Agreement with the amount of such shortfall payable to the replacement Cashflow Swap Counterparty in accordance with the Priority of Payments on following Payment Dates.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825477
The amounts in the Cashflow Swap Replacement Account will be applied directly to the payment of termination amounts owing to the Cashflow Swap Counterparty, if any. To the extent not fully paid from Cashflow Swap Replacement Proceeds, such amounts will be payable to the Cashflow Swap Counterparty on subsequent Payment Dates in accordance with the Priority of Payments. To the extent that the funds available in the Cashflow Swap Replacement Account exceed any such termination amounts (or if there are no termination amounts), the excess amounts in the Cashflow Swap Replacement Account will be transferred to the Collection Account on the next Transfer Date and will be treated as Principal Proceeds and distributed in accordance with the Priority of Payments on the next Payment Date. If the termination amounts owing to the Cashflow Swap Counterparty exceed the Cashflow Swap Replacement Proceeds for such agreements, then, unless such amounts represent Defeasance Cashflow Swap Termination Payments, they will be paid before funds are applied to pay principal or interest on any Notes (except for the Class S-1 Notes) in accordance with the Priority of Payments.

In order to effect an Optional Redemption by Liquidation, Tax Redemption or Auction, the Cashflow Swap Agreement must be terminated and the proceeds from such termination and from the liquidation of the remaining Collateral must be sufficient to pay any termination payment owing to the Cashflow Swap Counterparty (other than any Defeasance Cashflow Swap Termination Payments) in addition to any amounts owing under the Notes and certain other expenses.

Each Cashflow Swap Agreement will provide that the related Cashflow Swap Counterparty may assign its obligations under a Cashflow Swap Agreement to any institution which satisfies the Rating Agency Condition with respect to such assignment.

The initial Cashflow Swap Counterparty is GSI. GSI is an affiliate of the Initial Purchaser, and other affiliates of the Initial Purchaser or the Collateral Manager may also act as Cashflow Swap Counterparties from time to time, which may create certain conflicts of interest. See "Risk Factors—Other Considerations—Certain Conflicts of Interest."

The Cashflow Swap Counterparty ratings requirements, termination events and the required consents and actions described herein are subject to modification prior to the Closing Date, and may be revised thereafter upon satisfaction of the Rating Agency Condition. The description of the provisions of the Cashflow Swap Agreement herein may vary from the actual Cashflow Swap Agreement to be entered into by the Issuer and GSI on the Closing Date.

Cashflow Swap Agreement. As of the Closing Date, the Issuer will enter into a Cashflow Swap Agreement with GSI and may from time to time enter into additional Cashflow Swap Agreements (each, a "Cashflow Swap Agreement") with GSI or other counterparties (each, a "Cashflow Swap Counterparty.

WEIGHTED AVERAGE LIFE AND YIELD CONSIDERATIONS

The Stated Maturity of the Notes (other than the Class S Notes and the Class A-1 Notes) and the Income Notes is the Payment Date in December 2047, the Stated Maturity of the Class S Notes is the Payment Date in September 2011, the Stated Maturity of the Class A-1a Notes and the Class A-1b Notes is the Payment Date in December 2039 and the Stated Maturity of the Class A-1c Notes and the Class A-1d Notes is the Payment Date in September 2044. However, the principal of the Notes (other than the Class S Notes) is expected to be paid in full prior to the Stated Maturity. Average life refers to the average amount of time that will elapse from the date of delivery of a security until each dollar of the principal of such security will be paid to the Investor. The average life of the Notes will be determined by the amount of principal payments which are dependent on a number of factors, including when the Collateral Assets are repaid.

Weighted Average Life. Weighted average life refers to the average amount of time that will elapse from the date of delivery of a security until each dollar of the principal of such security will be paid to the Investor. The weighted average lives of the Notes of each Class will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of
payments received at or in advance of the scheduled maturity of the Collateral Assets (whether through sale, maturity, redemption, prepayment, default or other liquidation or disposition). The actual weighted average lives and actual maturities of the Notes will be affected by the financial conditions of the obligors on or the issuers of the Collateral Assets or the obligors on the underlying assets, and the characteristics of such securities and assets, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, prepayment rates, any lockout periods or prepayment premiums or penalties, the actual default rate and the actual level of recoveries on any Defaulted Obligations, and the frequency of tender or exchange offers for such Collateral Assets. Any disposition of a Collateral Asset will change the composition and characteristics of the Collateral Assets and the scheduled payments and payment characteristics therein, and, accordingly, may affect the actual weighted average lives of the Notes. The rate of future defaults and the amount and timing of any cash realization from Defaulted Obligations and Credit Risk Obligations also will affect the maturity and weighted average lives of the Notes. The weighted average life of the Notes of each Class may also vary depending on whether or not the Notes are redeemed. The weighted average lives of the Notes are expected to be shorter, and may be substantially shorter, than the Stated Maturity of the Notes.

The table set forth below indicates the percentage of the initial balance of each Class of Notes that would be outstanding on each Payment Date assuming no prepayments or losses and the weighted average life of each Class of Notes and principal window of each Class based on the following assumptions (the "Collateral Assets Assumptions"):

i. Forward three month LIBOR curve as of March 20, 2007 are assumed;

ii. the Closing Date is March 27, 2007, the first Payment Date is September 4, 2007, and Payment Dates are the third day of every March, June, September and December, not adjusting for Business Days;

iii. all of the net proceeds of the offering of the Securities are invested as of the Closing Date in the Collateral Assets and Default Swap Collateral;

iv. the Coverage Tests are satisfied as of the Closing Date;

v. expenses due under clauses (i), (ii) and (iii) of the Priority of Payments are paid on each Payment Date and will be $35,500 plus the greater of U.S. $32,062.50 and 0.0018125% of the Quarterly Asset Amount for the related Due Period (or, with respect to the first Payment Date, as such amounts are adjusted based on the number of days in such Due Period);

vi. the Collateral Management Fee is 0.04% per annum of the outstanding Principal Balance of the Collateral Assets;

vii. there are no Current Deferred Management Fees;

viii. the Deferred Structuring Expense is 0.04% per annum of the outstanding Principal Balance of the Collateral Assets;

ix. Prior to distribution on each Payment Date, interest collections are assumed to be deposited in the Collection Account for 50 days, and principal collections are assumed to be deposited in the Collection Account for 50 days, each earning a rate equal to three month LIBOR minus 0.30% per annum;

x. Default Swap Collateral and Eligible Investments in the Default Swap Collateral Account are assumed to accrue interest at three month LIBOR plus 0.10%;

xi. each Collateral Asset will pay principal and interest in accordance with its terms and scheduled payments will be timely received, unless otherwise specified;
xi. failure to pay interest to the Holders of the Class A Notes and the Class B Notes is not an Event of Default;

xii. All unpaid Class C Notes and Class D Note interest is Deferred Interest;

xiii. there are no sales;

xiv. no rating change occurs on any Collateral Asset or the Notes;

xv. there is no Optional Redemption, Tax Redemption or, except with respect to the table setting forth the Percentages of Initial Principal Balance of the Class A-1 Notes, Class A-2 Notes, Class B Notes, Class C Notes and Class D Notes and the table setting forth the Sensitivity of Principal Payments to CDR, Auction Call;

xvi. defaults are incurred at the constant annual default rates and are applied on each Payment Date to the outstanding Principal Balance of the Collateral Assets as of such Payment Date commencing on the Payment Date in September 2008; and

xvii. there is no PIK interest on the Collateral Assets.

Percentages of Initial Principal Balance of the Class A-1 Notes, Class A-2 Notes, Class B Notes, Class C Notes and Class D Notes

<table>
<thead>
<tr>
<th>Closing Date</th>
<th>Class A-1</th>
<th>Class A-2</th>
<th>Class A-3</th>
<th>Class A-4</th>
<th>Class B</th>
<th>Class C</th>
<th>Class D</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 4, 2007</td>
<td>99.17%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>September 3, 2008</td>
<td>98.69%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>September 3, 2009</td>
<td>98.69%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>September 3, 2010</td>
<td>93.13%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>September 3, 2011</td>
<td>93.13%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>September 3, 2012</td>
<td>93.13%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>September 3, 2013</td>
<td>93.13%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>September 3, 2014</td>
<td>93.13%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

(1) The "Expected Principal Window" for a Class of Notes is the period in which (a) the initial principal payment of the Class is expected to be made and (b) the final principal payment of the Class is expected to be made under the Collateral Assets Assumptions (assuming no Defaults).

(2) The "Expected Weighted Average Life" of each Class of Notes is determined by (i) multiplying the amount of each principal distribution on each Class that would result under the Collateral Assets Assumptions (assuming no defaults) by the number of years from the date of determination to the related Payment Date (assuming 365 days in each month and a 360-day year), (ii) adding the results and (iii) dividing the sum by the aggregated principal distributions referred to in clause (1). The following table shows the "Expected Weighted Average Life" and the "Expected Principal Window" for each Class of Notes under various constant default rates. The "Expected Weighted Average Life" of each Class of Notes is determined by (i) multiplying the amount of each principal distribution on such Class that would result under the Collateral Assets Assumptions by the number of years from the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825490
data of determination to the related Payment Date (assuming 30 days in each month and a 360-day year), (ii) adding the results and (iii) dividing the sum by the aggregated principal distributions referred to in clause (i). The "Expected Principal Window" for a Class of Notes is when the first and last payments of principal are expected to be made under the Collateral Assets Assumptions. The loss severity is assumed to be 20%.

### Sensitivity of Principal Payments to CDR

<table>
<thead>
<tr>
<th>CDR</th>
<th>Expected Principal Window</th>
<th>Expected Principal Average Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0% CDR</td>
<td>September 4, 2007 to September 3, 2011</td>
<td>2.07 years</td>
</tr>
<tr>
<td>0.1% CDR</td>
<td>September 4, 2007 to September 3, 2011</td>
<td>2.07 years</td>
</tr>
<tr>
<td>0.2% CDR</td>
<td>September 4, 2007 to September 3, 2011</td>
<td>2.07 years</td>
</tr>
<tr>
<td>0.5% CDR</td>
<td>September 4, 2007 to September 3, 2011</td>
<td>2.07 years</td>
</tr>
</tbody>
</table>

### Notes

The table set forth below entitled "Class A-1, A-2, B, C and D Note Constant Default Rate Stress Tests" shows the Constant Default Rate (CDR) and Cumulative Defaults for each Class of Notes under three stress scenarios, assuming a 20% loss severity on defaulted Collateral Assets. In column one ("First Dollar of Loss"), CDR represents the CDR starting on the September 2009 Payment Date that would result in the first dollar of principal loss to the respective Class of Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate principal balance of the Collateral Assets of the Closing Date. In column two ("Flat Return"), CDR represents the CDR starting on the September 2009 Payment Date.
2008 Payment Date that would result in a yield equivalent to a zero discount margin over three-month LIBOR for the Class A-1a Notes, Class A-1b Notes, Class A-1c Notes, Class A-1d Notes, Class A-2 Notes, Class B Notes, Class C Notes and Class D Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate principal balance of the Collateral Assets as of the Closing Date. In column three (“Return of investment, (0% return),” the CDR represents the CDR starting on the September 2008 Payment Date that would result in an approximate 0% return for the Class A-1a Notes, Class A-1b Notes, Class A-1c Notes, Class A-1d Notes, Class A-2 Notes, Class B Notes, Class C Notes and Class D Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate principal balance of the Collateral Assets as of the Closing Date.

<table>
<thead>
<tr>
<th>Class</th>
<th>First Dollar of Loss</th>
<th>Flat Return</th>
<th>Return of Investment (0% return)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CDR</td>
<td>Cumulative Defaults</td>
<td>CDR</td>
</tr>
<tr>
<td>Class A-1a</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Class A-1b</td>
<td>24.9%</td>
<td>70.199%</td>
<td>24.9%</td>
</tr>
<tr>
<td>Class A-1c</td>
<td>10.0%</td>
<td>60.297%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Class A-1d</td>
<td>14.0%</td>
<td>51.387%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Class A-2</td>
<td>25.0%</td>
<td>25.000%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Class B</td>
<td>5.0%</td>
<td>5.000%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Class C</td>
<td>3.0%</td>
<td>3.000%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Class D</td>
<td>1.0%</td>
<td>4.261%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

* Under the given default and rating assumptions, the Class A-1a Notes do not take a loss.

The yield to maturity of the Notes of each Class will also be affected by the rate of repayment of the Collateral Assets, as well as by the redemption of the Notes in an Auction, an Optional Redemption or a Tax Redemption (and upon the Redemption Price then payable). The Issuer is not required to repay the Notes on any date prior to their Stated Maturity. The receipt of principal payments on the Notes at a rate slower than the rate anticipated by investors purchasing the Notes at a discount will result in an actual yield that is lower than anticipated by such investors.

The yield to maturity of the Notes may also be affected by the rate of delinquencies and defaults on and liquidations of the Collateral Assets, to the extent not absorbed by the Income Notes; sales of Collateral Assets; and/or purchases of Collateral Assets having different scheduled payments and payment characteristics and the effect of the Coverage Tests on payments under the Priority of Payments. The yield to investors in the Notes will also be adversely affected to the extent that the Issuers incur certain expenses that are not absorbed by the Income Notes.

THE COLLATERAL MANAGER

The information appearing in this section (other than the information contained under the subheading "General") has been prepared by the Collateral Manager and has not been independently verified by the Initial Purchaser or either of the Issuers. Neither the Initial Purchaser nor the Issuers assume any responsibility for the accuracy, completeness or applicability of such information.

General

Certain management, administrative and advisory functions with respect to the Collateral Assets will be performed by Greywolf Capital Management LP, a Delaware limited partnership ("Greywolf"). The Collateral Manager under a Collateral Management Agreement between the Issuer and Greywolf dated on the Closing Date (the "Collateral Management Agreement"). Pursuant to the terms of the Collateral Management Agreement, the Collateral Manager will monitor the Collateral Assets and
provide certain information with respect to the Collateral Assets to the Trustee, (ii) direct the disposition of the Collateral Assets under the limited circumstances described herein, (iii) direct the reimbursement of the proceeds therefrom in Eligible Investments, (iv) monitor the Cashflow Swap Agreement and determine whether and when the issuer should exercise any rights available under any Cashflow Swap Agreement, and (v) direct the reimbursement of Default Swap Collateral with the consent of the Synthetic Security Counterparty. The Collateral Manager will perform its duties in accordance with the requirements set forth in the Indenture and in accordance with the provisions of the Collateral Management Agreement. The Collateral Manager is also subject to certain other conflicts of interest. See "Risk Factors—Other Considerations—Certain Conflicts of Interest" and "Risk Factors—Other Considerations—The Collateral Manager."

Greywolf Capital Management LP

Greywolf is an SEC-registered investment adviser and currently manages over $2,000,000,000 in capital. Greywolf was founded in 2003 by a team of former employees of Goldman Sachs' fixed income trading division and now has 29 investment professionals with extensive experience in distressed, high yield and structured product investing. A copy of the Collateral Manager's Form ADV is being delivered to investors in connection with the delivery of this offering circular as Appendix B thereto.

Key Personnel

Set forth below is information regarding the background, principal responsibilities and other affiliations of certain of the principal officers and other employees of the Collateral Manager, including those personnel who will be primarily responsible for managing the Collateral Assets and for performing the advisory and administrative functions related thereto. Although these individuals are currently employed by the Collateral Manager and hold the offices indicated below with the Collateral Manager, such persons will not be engaged full time in the management of the Collateral. In addition, such persons may not necessarily continue to be so employed during the entire term of the Collateral Management Agreement or may not continue to perform services for the Collateral Manager under the Collateral Management Agreement.

Collateral Management Team

Gregory Mount, Partner. Mr. Mount joined Greywolf in September 2005 as a Partner and is responsible for structured product investments. Mr. Mount will be the co-portfolio manager of Timberwolf I, Ltd. with Mr. Marcoll. Prior to joining Greywolf, Mr. Mount worked at Goldman Sachs for 8 years from which he retired as a Partner of the firm in 2001. Mr. Mount founded Goldman's CDO business in 1996 and later held numerous senior positions in credit derivatives and structured products, including co-head of the Structured Products Group, which oversees the CMBS, RMBS, ABS and CDO businesses and head of Portfolio Credit Derivatives which encompassed cash and synthetic CDOs. Mr. Mount also initiated Goldman's proprietary CDO investment activity in 2003 and was the primary decision-maker for that portfolio at its inception. Mr. Mount received a B.S. in Electrical Engineering from M.I.T. in 1987, and an M.B.A., with high honors, from The University of Chicago Graduate School of Business in 1992.

Joe Marcoll, Vice President. Mr. Marcoll joined Greywolf in April 2006 and is responsible for structured product investments. Mr. Marcoll will be the co-portfolio manager of Timberwolf I, Ltd. with Mr. Mount. Prior to joining Greywolf, Mr. Marcoll was a Managing Director in the Structured Products Group at Goldman Sachs where he was co-head of ABS Finance and a member of the Mortgage Capital Committee (which is responsible for approving capital commitments across the CMBS, RMBS, ABS and CDO businesses). Mr. Marcoll joined Goldman Sachs in 1993 and became a Managing Director in 2003. Prior to joining Goldman Sachs, from 1994 to 1993, Mr. Marcoll was an attorney with Cravath, Swaine & Moore in New York and London. Mr. Marcoll received a B.A. in Economics, summa cum laude, from Columbia College in 1993 and was elected to Phi Beta Kappa. Mr. Marcoll also received a J.D. from Columbia Law School in 1994 and was a Harlan Fiske Stone Scholar each of his three years.

Jonathan Savitz, Partner. Mr. Savitz co-founded Greywolf in February 2003 and is the Firm’s Chief Executive Officer and the Fund’s Chief Investment Officer. Prior to co-founding Greywolf, Mr. Savitz worked at Goldman Sachs for over 10 years from which he retired as a Partner of the firm in 2002.
From 1998 – 2002, Mr. Savitz led Goldman’s global distressed trading, sales and research effort and was a primary decision maker and risk manager in Goldman’s proprietary investing activities across the fixed income markets. From 1995 – 1998, Mr. Savitz managed the high yield trading desk and prior thereto held positions in distressed proprietary investing and corporate bond trading. Mr. Savitz joined Goldman in 1997 after graduating with a B.A., with honors, from The Johns Hopkins University.

James Gillespie, Partner. Mr. Gillespie is a co-founder of Greywolf and is a Portfolio Manager of the Special Situations Funds. Prior to founding Greywolf, Mr. Gillespie worked at Goldman Sachs for six years. Mr. Gillespie was head of Distressed Bond Investing where he ran Goldman’s proprietary distressed bond portfolio on the trading desk. Prior thereto, Mr. Gillespie was director of distressed bond research after having been a distressed analyst for Goldman’s bank loan and bond desks. Mr. Gillespie has significant experience in analyzing, revaluing and investing in distressed securities as well as managing a large portfolio of distressed investments. He also has experience actively participating in the workout process as both a committee member and large creditor. Prior to Goldman, Mr. Gillespie worked at Salomon Brothers in high yield capital markets. Mr. Gillespie received a Bachelor of Commerce degree, with honors, from the University of British Columbia in 1995 and is a Leslie Wong Fellow. Mr. Gillespie is a CFA charterholder.

Robert Miller, Partner. Mr. Miller is a co-founder of Greywolf and a Portfolio Manager for the Greywolf High Yield Funds. Prior to founding Greywolf, Mr. Miller worked at Goldman Sachs for 10 years and ran Goldman’s high yield trading desks in New York and London from 1998 – 2000. After retiring from Goldman, Mr. Miller was retained by the firm for almost two years as a consultant on electronic bond trading platforms. Prior to heading the high yield trading desk, Mr. Miller was a High Yield and Corporate Bond Trader for Goldman and prior thereto was a credit analyst for PNC Bank. During his career, Mr. Miller has traded and analyzed most major industry sectors and held proprietary positions in straight debt, common and preferred stock, futures, convertibles, trust preferred, and credit derivatives. Mr. Miller received a B.A., magna cum laude from Franklin and Marshall College in 1983 and an M.B.A., with honors, from UNC-Chapel Hill in 1989.

Crawel Samikolou, Partner. Mr. Samikolou is a co-founder of Greywolf and a Portfolio Manager of the Special Situations Funds. Prior to founding Greywolf, Mr. Samikolou worked at Goldman Sachs for ten years where he was one of three portfolio managers in the Special Situations Investing Group, a Goldman Sachs’ proprietary levered hedge fund. Prior to assuming his portfolio management role in 2000, Mr. Samikolou held numerous positions in distressed investing at Goldman including director of research in both the US and Europe. Mr. Samikolou joined Goldman in 1992 as a corporate finance generalist before moving to the distressed investing business as a credit analyst in 1996 after returning from business school. Mr. Samikolou has extensive experience investing in all layers of levered capital structures both on the long and short side and, at times, participating actively in steering and creditors’ committees. Mr. Samikolou received a B.A. cum laude from Hamilton College in 1992 and an M.B.A. from Harvard Business School in 1997.

William Troy, Partner. Mr. Troy is a co-founder of Greywolf and a Portfolio Manager of the High Yield Funds, as well as having responsibility for firmwide risk management. Prior to founding Greywolf, Mr. Troy was the head manager for JP Morgan’s High Yield business, which he joined following the merger of Smith Barney with Salomon Brothers. At JP Morgan, Mr. Troy was a member of the Senior Trading Committee, the Underwriting Committee, the Risk Committee and the Credit Committee. Prior to JPMorgan, Mr. Troy joined Smith Barney in 1995 as a Committee Director and Co-head the High Yield business, overseeing sales, trading, research and syndicate. Prior to Smith Barney, Mr. Troy joined Goldman Sachs in 1986 as a Senior Corporate Bond Trader where he was responsible for risk taking activities with a further mandate to expand the business and develop new trading personnel. He was later selected to join the High Yield department in 1991 as the senior trader. Prior to Goldman Sachs, Mr. Troy joined Salomon Brothers in 1978 as a manager for the international business in cash trading operations and subsequently as a trader on the corporate bond trading desk. Mr. Troy began his 37-year Wall Street career in 1969 at Dean Witter.
Conflicts of Interest

Various potential and actual conflicts of interest may arise from the overall advisory, investment, and other activities of the Collateral Manager, affiliates, and their respective clients and employees. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Collateral Manager and/or its affiliates have ongoing relationships with, render services to, finance and engage in transactions with, and may own debt or equity securities issued by issuers of certain of the Collateral Assets. The Collateral Manager and its affiliates may invest on behalf of themselves and other clients in securities that are senior or subordinated to, or have interests different from or adverse to, the Collateral Assets. The interests of such parties may be different than or adverse to the interest of the Holders of the Securities. In addition, such persons may possess information relating to the Collateral Assets that is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Assets and performing the other obligations under the Collateral Management Agreement. Such persons will not be required (and may not be permitted) to share such information or pass it along to the Issuer, the Collateral Manager or any holder of any Security. Neither the Collateral Manager nor any of such persons will have liability to the Issuer or any Holder of any Security for failure to disclose such information or for taking, or failing to take, any action based upon such information.

In addition, the Collateral Manager and/or any of its affiliates may engage in any other business and furnish investment management and advisory services to others which may include, without limitation, serving as consultant or services for, investing in, lending to, being affiliated with or have other ongoing relationships with, other entities organized to issue collateralized debt obligations secured by assets similar to the Collateral Assets, and other trusts and pooled investment vehicles that acquire interests in, provide financing to, or otherwise deal with securities issued by issuers that would be suitable investments for the Issuer. In the course of monitoring the Collateral Assets held by the Issuer, the Collateral Manager may consider its relationships with other clients (including entities whose securities (or those of its affiliates) are pledged to secure the Notes) and its affiliates. In providing services to other clients, the Collateral Manager and its affiliates may recommend activities that would compete with or otherwise adversely affect the Issuer. In addition, the Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, that may be the same as or different from those effected on behalf of the Issuer, and the Collateral Manager may furnish advisory services to others who may have investment policies similar to those followed by the Issuer and who may own securities of the same class or which are the same type as, the Collateral Assets. Under the terms of the Collateral Management Agreement, the Collateral Manager will be permitted to take whatever action is in the Collateral Manager’s best interest regardless of the impact on the Collateral Assets. In addition, under certain circumstances the Collateral Manager may direct the Issuer to sell certain Collateral Assets. Such sales of Collateral Assets may result in losses to the Issuer, which losses may result in the reduction or withdrawal of the rating of any or all of the Securities by any of the Rating Agencies. In determining whether to exercise such right, the Collateral Manager need not take into account the interests of the Issuer, the Noteholders, the Income Noteholders or any other party.

The Collateral Manager and/or its affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for their respective accounts or for another entity, including other collateralized debt obligation vehicles, at the same time as it is disposing of investments for the Issuer. Accordingly, conflicts may arise regarding the allocation of safe opportunities.

The Collateral Manager may aggregate sales of securities placed with respect to the Collateral Assets with similar sales being made simultaneously for other clients or other accounts managed by the Collateral Manager or with accounts of the affiliates of the Collateral Manager, if in the Collateral Manager’s reasonable business judgment such aggregation will result in an overall economic benefit to the Issuer, taking into consideration the advantageous selling price, brokerage commission and other expenses. However, no provision of the Collateral Management Agreement requires the Collateral Manager or its affiliates to execute orders as part of concurrent authorizations or to aggregate sales.
Nevertheless, the Collateral Manager may, in the allocation of business, take into consideration research and other brokerage services furnished to the Collateral Manager or its affiliates by brokers and dealers. Such services may be used by the Collateral Manager in connection with the Collateral Manager’s other advisory services or investment operations.

No provision in the Collateral Management Agreement prevents the Collateral Manager or any of its affiliates from rendering services of any kind to the Issuer of any Collateral Assets and its affiliates, the Trustee, the Holders of the Securities, the Cashflow Sweep Counterparty or any other entity. Without prejudice to the generality of the foregoing, the Collateral Manager and its affiliates, directors, officers, employees and agents may, among other things: (a) serve as general partner, adviser, sponsor or manager of partnerships or companies organized to issue collateralized bond or loan obligations secured by assets similar to the Collateral Assets, directors (whether supervisory or managing), partners, officers, employees, agents, nominees or signatories for an Issuer of any Collateral Assets; (b) receive fees for services rendered to the Issuer of any Collateral Assets or any Affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management Agreement to the Issuer or its Affiliates and be paid therefor; (d) a secured or unsecured creditor of, or hold an equity interest in, any Issuer of any Collateral Assets; (e) serve as a member of any “creditors’ board” or “creditors’ committee” with respect to any Collateral Assets which has become or may become a Defaulted Obligation or with respect to any commercial mortgage loan securing any Collateral Assets or any Issuer for any such commercial mortgage loan; (f) own or make loans to any borrower or affiliate of any borrower on any of the commercial mortgage loans securing the Collateral Assets; (g) Invest, or have already Invested, in obligations and/or other securities that are identical to or similar to, or have interests different from or adverse to, the Collateral Assets; (h) make investments on their own behalf without offering such investment opportunities to the Issuer or informing the Issuer of any investments before engaging in any investment for themselves; (i) recommend or effect trades between the Issuer and the Collateral Manager or a Collateral Manager Affiliate or funds or accounts for which the Collateral Manager or an Affiliate serve as Collateral Manager, acting as principal or agent, subject to applicable legal requirements; (j) Invest in obligations that would be appropriate as Collateral and have ongoing relationships with, render services to or engage in transactions with, companies whose obligations are included in the Collateral; and may own equity or debt securities by Issuers of and other obligors of Collateral Assets; and (k) enter into agency cross-transactions where the Collateral Manager and/or the Collateral Manager Affiliate acts as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law. Under the terms of the Collateral Management Agreement, the Collateral Manager will be permitted to take whatever action is in the Collateral Manager’s best interest regardless of the impact on the Collateral Assets.

Members of the board of directors of the Issuer who are not affiliated with the Collateral Manager or their delegates or other authorized representatives of the Issuer will have the responsibility for approving any transactions between the Issuer and the Collateral Manager or its affiliates involving significant conflicts of interest (including principal trades). More particularly, directors unaffiliated with the Collateral Manager or any affiliate designated by such directors will be responsible for approving any principal transactions for which issuer consent is required pursuant to Section 206(3) of the Advisers Act.

In addition, with the prior authorization of the Issuer, which has been given and can be revoked at any time, the Collateral Manager and/or its affiliates may enter into agency cross-transactions where the Collateral Manager and/or its affiliates acts as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law, in which case the Collateral Manager or any such affiliate will receive commissions thereon, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

On the Closing Date it is expected that the Collateral Manager or one or more clients or affiliates of the Collateral Manager will purchase approximately 50% of the aggregate principal amount of the Class Notes, 100% of the Aggregate Outstanding Amount of the Class D Notes and any Purchase Notes and/or Income Notes on or after the Closing Date. The Collateral Manager and/or one or more of its affiliates or employees, or funds managed by Greycourt may own from time to time additional Securities of one or more types. There can be no assurance that any of the foregoing persons will continue to hold

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825485
any or all of such Securities. As a Holder of Income Notes or any other Securities, such persons may have interests adverse to the other Holders of Securities. For so long as Greywolf is the Collateral Manager and any funds managed by Greywolf continue to hold any Income Notes, any Collateral management Fees otherwise payable to the Collateral Manager hereunder shall be paid by the Issuer in the following order: (i) first, to such funds managed by Greywolf (on a pro rata basis among such funds), in an amount equal to the product of (x) such Collateral management Fees and (y) a fraction the numerator of which is the notional amount of the Income Notes held by such funds managed by Greywolf and the denominator of which is the aggregate notional amount of all the Income Notes and (ii) second, the remainder, if any, to Greywolf.

Greywolf or any of its clients, affiliates or subsidiaries will be permitted to exercise all voting rights with respect to any Securities which they may acquire (other than with respect to a vote regarding the removal of the Collateral Manager or the termination or assignment of the Collateral Management Agreement). The interests of such persons may be different from or adverse to the interests of the other holders of Notes.

THE COLLATERAL MANAGEMENT AGREEMENT

General

The Collateral Manager will perform certain investment management and administrative functions with respect to the Issuer and Collateral Assets on behalf of the Issuer in accordance with the applicable provisions of the Indenture and the Collateral Management Agreement.

The Collateral Manager agrees to exercise that degree of skill and care consistent with the practices and procedures and attention no less than that with which the Collateral Manager exercises with respect to comparable assets that it manages for clients in substantially similar transactions in accordance with such practices and procedures and which is consistent with those followed by reasonable and prudent institutional managers of national standing relating to assets of the nature and character of the Collateral Assets.

Neither the Collateral Manager nor its partners, directors, officers, stockholders or employees (collectively, the "Collateral Manager Affiliates") will be liable to the Issuer, the Trustee, the Holders of the Securities, or any other person for any loss incurred as a result of the actions taken by or recommended by the Collateral Manager under the Collateral Management Agreement or the Indenture, except for reason of acts or omissions constituting bad faith, willful misconduct, gross negligence or reckless disregard, of its obligations thereunder. Subject to the above mentioned standard of liability, the Collateral Manager and its affiliates, and each of their respective partners, shareholders, members, officers, directors, managers, employees, agents, accountants and attorneys will be entitled to indemnification by the Issuer for any losses or liabilities, including legal or other expenses, relating to the issuance of the Securities, the transactions contemplated by the Indenture or the performance of the Collateral Manager’s obligations under the Collateral Management Agreement.

The Collateral Manager may assign its rights or responsibilities under the Collateral Management Agreement provided that (i) such assignment satisfies the Rating Agency Condition, and (ii) the Collateral Manager obtains the consent of the Issuer as directed by a Majority of the Controlling Class and a Majority-in-Interest of Income Notes (unless such assignment would be deemed as "assignment" for purposes of Section 205(g)(2) of the Advisers Act, in which case such consent shall not be required). The Collateral Manager may delegate to an agent selected with reasonable care any or all of the duties (other than its asset selection or trade execution duties) assigned to the Collateral Manager under the Collateral Management Agreement, provided that no delegation by the Collateral Manager of any of its duties under the Collateral Management Agreement shall relieve the Collateral Manager of any of its duties under the Collateral Management Agreement nor relieve the Collateral Manager of any liability with respect to the performance of such duties.
The Collateral Management Agreement may not be amended or modified (other than by an amendment or modification of the type that may be made to the Indenture without the consent of the Holders of the Notes) without satisfaction of the Rating Agency Condition and the prior written consent of the Noteholders and any Cashflow Swap Counterparty. If the consent of such parties would be required were such an amendment made pursuant to the Indenture.

The Collateral Manager may be removed for cause by the Holders of at least 66 2/3% of the Outstanding Class or a Special-Majority-in-Interest of Income Noteholders (as such term is defined in the Collateral Management Agreement) upon 30 calendar days' prior written notice; provided, however, that any such vote will exclude any Securities held by the Collateral Manager, any affiliates of the Collateral Manager or any Securities over which the Collateral Manager or any of its affiliates has discretionary voting authority (the "Collateral Manager Securities"). For purposes of the Collateral Management Agreement, "cause" will mean (i) willful default by the Collateral Manager of any provision of the Collateral Management Agreement or the Indenture applicable to it, (ii) certain events of bankruptcy or insolvency in respect of the Collateral Manager, (iii) the occurrence and continuation of an Event of Default under the Indenture which directly results from any breach by the Collateral Manager of its duties under the Indenture or the Collateral Management Agreement, (iv) the occurrence of an act by the Collateral Manager which constitutes fraud or criminal activity in the performance of its obligations under the Collateral Management Agreement or the indictment of the Collateral Manager or any of its officers or directors for a criminal offense materially related to the business of providing investment advisory services and (v) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to the Collateral Management Agreement or the Indenture to be correct when made if such failure (a) has a material adverse effect on either of the Issuers, the Noteholders or the Holders of the Income Notes and (b) if such failure can be cured, such failure is not cured within 90 days after the Collateral Manager acquires actual knowledge of or receives notice from the Trustee of such failure.

The Collateral Manager may resign upon 60 days' written notice to the Issuer, the Trustees, the Cashflow Swap Counterparty and the Rating Agencies or such shorter notice as is acceptable to the Issuer, the Trustees and the Rating Agencies, provided that the Collateral Manager shall have the right to resign immediately upon the effectiveness of any material change in applicable laws or regulations which renders the performance by the Collateral Manager of its duties under the Collateral Management Agreement or the Indenture to be a violation of such laws or regulations. The Collateral Management Agreement will terminate automatically in the event the Notes and the Income Notes are redeemed or cancelled in their entirety, or in the event of its assignment by the Collateral Manager in violation of the Collateral Management Agreement or if it is determined in good faith that the Issuer or the Cashflow Swap Counterparty or the Collateral Manager is unable to perform its obligations as provided herein or if the pool of Collateral Assets has become required to register under the Investment Company Act, and the Issuer so notifies the Collateral Manager.

No removal, termination or resignation of the Collateral Manager or termination of the Collateral Management Agreement will be effective unless (i) a successor Collateral Manager is appointed by the Issuer and agrees in writing to assume all of the Collateral Manager's duties and obligations pursuant to the Collateral Management Agreement, (ii) the successor Collateral Manager is not objected to by the Noteholders and any Cashflow Swap Counterparty or a Special-Majority-in-Interest of Income Noteholders and a Majority of the Controlling Class (including, except with respect to the appointment of such successor Collateral Manager, any Collateral Manager Securities) within 30 days after notice of such removal, resignation or termination and (iii) the Rating Agency Condition has been satisfied with respect to the appointment of such successor Collateral Manager. Such successor Collateral Manager must, in addition, meet certain qualifications specified in the Collateral Management Agreement (the "Replacement Manager Conditions").

In the event that the Collateral Manager has been removed, terminated or resigned and a successor Collateral Manager meeting the Replacement Manager Conditions has not been appointed or prior to (i) in the case of removal of the Collateral Manager "for cause," the date that is 60 days following the date of notice of removal delivered in accordance with the Collateral Management Agreement and (ii) in the case of any other removal or resignation of the Collateral Manager, the date of removal or resignation specified in the relevant notice, the resigning or removed Collateral Manager shall
be entitled to appoint a successor Collateral Manager and shall so appoint a replacement manager satisfying the Replacement Manager Conditions within 60 days thereafter, provided (but such successor Collateral Manager is not objected to by a Majority-in-Interest of Income Noteholders (as such term is defined in the Collateral Management Agreement) (excluding any Collateral Manager Securities) or a Majority of the Controlling Class (excluding any Collateral Manager Securities) within 15 days after such appointment. In lieu thereof, or if the successor Collateral Manager appointed by the resigning or removed Collateral Manager is not approved, the resigning or removed Collateral Manager may petition any court of competent jurisdiction for the appointment of a replacement manager satisfying the successor Collateral Manager Conditions, but such appointment shall not require the consent of, nor be subject to the disapproval of, the issuer or any Noteholder or Income Noteholder. Upon the appointment of a successor Collateral Manager satisfying the Replacement Manager Conditions and the written acceptance of such appointment by the successor Collateral Manager, all authority and power of the Collateral Manager under the Collateral Management Agreement will be automatically vested in the successor Collateral Manager. No compensation payable to a successor Collateral Manager from the Collateral Assets shall be greater than that paid to the Collateral Manager without (i) the prior written consent of (a) a Majority-in-Interest of Income Noteholders (as such term is defined in the Collateral Management Agreement) and (b) in the case of any increase or any Collateral Management Fee, the prior written consent of a Majority of the Notes (each voting as a separate Class) and (ii) the satisfaction of the Rating Agency Condition.

There is no limitation or restriction on the Collateral Manager or any Collateral Manager Affiliate with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or the Collateral Manager Affiliates may give rise to potential conflicts of interest. The Collateral Manager and the Collateral Manager Affiliates currently serve, and will continue to serve, as Collateral Manager for, Invest in or be affiliated with, other entities organized to issue collateralized debt obligations secured by high yield loans and bonds.

Funds managed by Graywol will commit to purchase on the Closing Date 100% of the Initial Aggregate Outstanding Amount of the Class D Notes and approximately 50% of the Initial notional amount of the Income Notes and may purchase other Securities after the Closing Date. In addition, Graywol and/or one or more of its affiliates or employees, or funds managed by Graywol may own from time to time additional Securities of one or more types. There can be no assurance that any of the foregoing persons will continue to hold any or all of such Securities. As a Holder of the Class D Notes and the Income Notes or any other Securities, such persons may have interests adverse to the other Holders of Securities.

The Collateral Manager may only assign its rights or responsibilities under the Collateral Management Agreement in accordance with the terms of the Collateral Management Agreement.

Compensation

As compensation for the performance of its obligations under the Collateral Management Agreement, the Collateral Manager will be entitled to receive a fee in accordance with the Priority of Payments, payable in arrears on each Payment Date, of 0.04% per annum (the "Collateral Management Fee") times the Aggregate Principal Amount, measured as of the beginning of the Dues Period preceding such Payment Date. If amounts distributable on any Payment Date in accordance with the Priority of Payments are insufficient to pay the Collateral Management Fee in full, then the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priority of Payments. Any interest due on the amounts so deferred will be payable in the same order of priority as the Collateral Management Fee and will accrue interest at a rate equal to LIBOR.

The Collateral Management Fee will be calculated on the basis of a 360 day year consisting of twelve 30-day months. All fees payable to the Collateral Manager on a Payment Date are subject to payment only in accordance with the Priority of Payments.
In its sole discretion, the Collateral Manager may on any Payment Date, other than the Final Payment Date, elect to defer its receipt of all or any portion of the Collateral Management Fee payable on such Payment Date by providing written notice to the Trustee of such election at least five Business Days prior to such Payment Date. A payment made by the Collateral Manager in accordance with this provision shall be deemed to be the payment of a current fee to the Collateral Manager on the date payment shall become due to the Trustee and shall be added to the amount of any such fees that have not been paid to the Trustee on any prior Payment Date. A payment made by the Collateral Manager shall be deemed to have been made on the date payment shall become due to the Trustee.

After such Payment Date, the Collateral Management Fee will accrue interest with respect to each interest accrual period at a rate equal to LIBOR, compounded monthly and calculated on the basis of a year of 360 days and the actual number of days elapsed and be added to the cumulative amount of the Current Deferred Management Fee from prior Payment Dates, if any, the aggregate amount of such Current Deferred Management Fee being the "Cumulative Deferred Management Fee" and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priority of Payments. The Collateral Manager may elect to receive payment of all or any portion of the Cumulative Deferred Management Fee on any Payment Date to the extent of funds available in accordance with the Priority of Payments by providing notice to the Trustee of such election and the amount of such fees to be paid on or before five Business Days preceding such Payment Date.

For so long as Greywolf is the Collateral Manager and any funds managed by Greywolf continue to hold any income Notes, any Collateral Management Fees otherwise payable to the Collateral Manager hereunder shall be paid by the Issuer in the following order: (i) first, to such funds managed by Greywolf (on a pro rata basis among such funds), in an amount equal to the product of (x) such Collateral Management Fees and (y) a fraction the numerator of which is the then-current amount of the Income Notes held by such funds managed by Greywolf and the denominator of which is the aggregate notional amount of all the Income Notes and (ii) second, the remainder, if any, to Greywolf.

THE ISSUERS

General

The Issuer was incorporated on March 5, 2007 in the Cayman Islands with the registered number 183317. The registered office of the Issuer is at the offices of Maples Finance Limited, P.O. Box 1090 GT, Queensgate House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Issuer has no substantial prior operating history. The Issuer’s Memorandum of Association sets out the objects of the Issuer, which are unrestricted and therefore include the business to be carried out by the Issuer in connection with the Securities.

The Co-Issuer was incorporated on March 7, 2007 under the laws of the State of Delaware with the registered number 4312941. The registered office of the Co-Issuer is at Donald J. Puglisi & Associates, 860 Library Avenue, Suite 304, Newark, Delaware 19711. The Co-Issuer has no prior operating history. Article 3 of the Co-Issuer’s Certificate of Incorporation sets out the purpose of the Co-Issuer, which include the business to be carried out by the Co-Issuer in connection with the issuance of the Notes.

The Notes are obligations only of the Issuer and not of the Trustee, the Fiscal Agent, the Collateral Manager, the Initial Purchaser, the Issuer Administrator, the Collateral Manager, the Holder of the Income Notes, the Agents, the Share Trustee or any director, manager or officer of the Issuer or any of their respective affiliates.

The authorized share capital of the Issuer consists of 50,000 ordinary shares, U.S.$1.00 par value per share (the “Issuer Ordinary Shares”). 250 of the Issuer Ordinary Shares have been issued and will be held by the Share Trustee under the terms of a charitable trust. All of the outstanding common equity of the Co-Issue will be held by the Issuer. For so long as any of the Notes are outstanding, no beneficial interest in the ordinary shares of the Issuer or of the common equity of the Co-Issuer shall be registered to a U.S. Person.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825490
Capitalization of the Issuer

The initial proposed capitalization of the Issuer as of the Closing Date after giving effect to the issuance of the Securities and the Issuer's Ordinary Shares and entry into the Cashflow Swap Agreement before deducting expenses of the offering of the Securities is as set forth below:

<table>
<thead>
<tr>
<th>Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Class S-1 Notes</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Class S-2 Notes</td>
<td>$6,300,000</td>
</tr>
<tr>
<td>Class A-1a Notes</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Class A-1b Notes</td>
<td>$200,000,000</td>
</tr>
<tr>
<td>Class A-1c Notes</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Class A-1d Notes</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>$200,000,000</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>$107,000,000</td>
</tr>
<tr>
<td>Class C Notes</td>
<td>$36,000,000</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Income Notes</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$1,017,300,000</td>
</tr>
<tr>
<td>Issuer Ordinary Shares</td>
<td>250</td>
</tr>
<tr>
<td>Total Equity</td>
<td>$250</td>
</tr>
<tr>
<td>Total Capitalization</td>
<td>$1,017,300,250</td>
</tr>
</tbody>
</table>

Capitalization of the Co-Issuer

The Co-Issuer will be capitalized only to the extent of its common equity of U.S. $10, will have no assets other than its equity capital and will have no debt other than as Co-Issuer of the Notes (other than the Class D Notes). The Co-Issuer has agreed to co-issue the Notes (other than the Class D Notes) as an accommodation to the Issuer, and the Co-Issuer is receiving no remuneration for so acting. Because the Co-Issuer has no assets, and is not permitted to have any assets, Holders of Securities will not be able to exercise their rights against any assets of the Co-Issuer. Holders of Notes must rely on the Collateral held by the Issuer and pledged to the Trustee for payment on their respective Notes, in accordance with the Priority of Payments.

Flow of funds

The approximate flow of funds of the Issuer from the gross proceeds of the offering of the Securities on the Closing Date is as set forth below:

<table>
<thead>
<tr>
<th>Gross Proceeds*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Class S-1 Notes</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>Class S-2 Notes</td>
<td>$8,300,000</td>
</tr>
<tr>
<td>Class A-1a Notes</td>
<td>$99,450,000</td>
</tr>
<tr>
<td>Class A-1b Notes</td>
<td>$200,000,000</td>
</tr>
<tr>
<td>Class A-1c Notes</td>
<td>$99,710,000</td>
</tr>
<tr>
<td>Class A-1d Notes</td>
<td>$99,700,000</td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>$303,440,000</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>$103,587,000</td>
</tr>
<tr>
<td>Class C Notes</td>
<td>$34,294,000</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>$27,723,000</td>
</tr>
<tr>
<td>Income Notes</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,007,169,000</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825491
Expenses

Third Party Expenses $1,550,000
Expense Reserve Account $200,000
Total $2,050,000

Collateral Assets
Net Proceeds $1,005,119,000
Principal Balance of Collateral Assets $1,000,000,000
Clean Price of cash Collateral Assets and Default Swap Collateral $90,810,000
Purchases Accrued Interest on cash Collateral Assets and Default Swap Collateral $610,000
Cash and Eligible Investments deposited in Default Swap Collateral Account $88,878,000
First Period Interest Reserve $4,821,000

*Figures are approximate.

Business

The Issuers will not undertake any business other than the issuance of the Notes and, in the case of the Issuer, the issuance of the Income Notes, the acquisition and management of the Collateral and, in each case, other related transactions. Neither of the Issuers will have any subsidiaries.

The Issuer Administrator will act as the administrator of the Issuer. The office of the Issuer Administrator will serve as the general business office of the Issuer. Through this office and pursuant to the terms of an agreement to be dated March 16, 2007 by and between the Issuer Administrator and the Issuer (the "Administration Agreement"), the Issuer Administrator will perform various administrative functions on behalf of the Issuer, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. In consideration of the foregoing, the Issuer Administrator will receive various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The directors of the Issuer listed below are also officers and/or employees of the Issuer Administrator and may be contacted at the address of the Issuer Administrator.

The activities of the Issuer Administrator under the Administration Agreement will be subject to the review of the Issuer's Board of Directors. The Administration Agreement may be terminated by either the Issuer or the Issuer Administrator upon 3 months' written notice (or, upon the occurrence of certain events, 14 days' written notice).

The Issuer Administrator's principal office is: Maples Finance Limited, P.O. Box 1093 QT, Queen'sgate House, South Church Street, George Town, Grand Cayman, Cayman Islands.

Directors

The Directors of the Issuer are: Guy Major and Carole Bunting, each having an address at Maples Finance Limited, P.O. Box 1093 QT, Queen'sgate House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The director of the Co-Issuer is Donald Puglisi who may be contacted at the address of the Co-Issuer.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021925492
INCOME TAX CONSIDERATIONS

The following is a summary of certain of the United States federal income tax consequences of an investment in the Notes and the Income Notes by purchasers that acquire their Notes or Income Notes in the initial offering. The discussion and the opinions referenced below are based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the United States Internal Revenue Service (the "IRS") with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following summary does not deal with all United States federal income tax consequences applicable to any given investor, nor does it address the United States federal income tax considerations applicable to categories of investors subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain United States expatriates, banks, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, natural persons, cash method taxpayers, S corporations, estates and trusts, investors that hold their Notes or Income Notes as part of a hedge, straddle or as an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address alternative minimum tax consequences, or the indirect effects on persons who hold equity interests in either a U.S. Holder or a Non-U.S. Holder (as these terms are defined below). In addition, this summary is generally limited to investors that acquire their Notes or Income Notes on the Closing Date (and, in the case of Notes, acquire their Notes for the issue price applicable to such Notes) and who will hold their Notes or Income Notes as "capital assets" within the meaning of Section 1221 of the Code. Investors should consult their own tax advisors to determine the United States federal, state, local, and other tax consequences of the purchase, ownership, and disposition of the Notes and the Income Notes.

As used herein, "U.S. Holder" means a beneficial owner of a Note or Income Note that is an individual citizen or resident of the United States for United States federal income tax purposes, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). A "Non-U.S. Holder" generally means any owner (or beneficial owner) of a Note or Income Note that is not a U.S. Holder (other than a partnership). If a partnership holds Notes or Income Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partnerships and partners of partnerships holding Notes or Income Notes should consult their own tax advisors regarding the tax consequences of an investment in the Notes or Income Notes (including their status as U.S. Holders or Non-U.S. Holders).

Tax Treatment of Issuer

Upon the issuance of the Notes, Orrick, Herrington & Sutcliffe LLP, special U.S. tax counsel to the Issuer, will deliver an opinion generally to the effect that under current law, and assuming compliance with the indenture (and certain other documents) and based on certain factual representations made by the Issuer, although the matter is not free from doubt, the Issuer's permitted activities will not result in the Issuer being engaged in the conduct of a trade or business in the United States. Accordingly, the Issuer does not expect to be subject to net income taxation in the United States. Prospective investors should be aware that opinions of counsel are not binding on the IRS and the IRS might seek to treat the Issuer as engaged in a United States trade or business, in which event the Issuer would be subject, inter alia, to a 30% "branch profits" tax when such income is viewed as having been repatriated to the Cayman Islands (thereby materially adversely affecting the Issuer's ability to make payments on the Securities).
The opinion of special U.S. tax counsel is subject to several considerations. For example, the United States Treasury Department and the IRS recently announced that they are considering taxpayer requests for specific guidance on, among other things, whether a foreign person may be treated as engaged in a trade or business in the United States by virtue of entering into credit default swaps. No guidance has been issued to date. If any future guidance concludes that foreign persons entering into certain credit default swaps will be treated as engaged in a trade or business in the United States, such guidance would adversely impact the issuer’s ability to pay principal and interest on the Notes. Additionally, it should be noted that gain or loss on a disposition by a foreign person of a United States real property interest may be subject to United States federal income tax as if the foreign person were engaged in a United States trade or business (even if the foreign person is not, in fact, so engaged). The determination of whether an asset constitutes a United States real property interest is made periodically and, therefore, it is possible that an asset that was not a United States real property interest at the time it was acquired by the issuer could, thereafter, become a United States real property interest. Similarly, if the issuer accepted a new security in exchange for an existing security or if the terms of an existing security were modified, the new or modified security might cause the issuer to become engaged in a United States trade or business for United States federal income tax purposes.

It is not expected that the issuer will derive material amounts of any other items of income that will be subject to United States withholding taxes. Notwithstanding the foregoing, any commitment fee, facility fee and similar fees that the issuer earns may be subject to a 30% withholding tax. Additionally, if the issuer is a CFC (defined below), the issuer would incur United States withholding tax on interest received from a related United States person. The Issuer will not make any independent investigation of the circumstances surrounding the individual assets comprising the Collateral Assets and, thus, there can be no assurance that payments of interest on and gain from the sale or disposition of the Collateral Assets will in all cases be received free of withholding tax.

The Issuer will not be required to pay additional amounts to any Holder of Income Notes or any Class of Notes if taxes or related amounts are withheld from payments on the Income Notes or Notes or from payments on any Collateral Asset. However, withholding on the Collateral Assets could result in the Securities being redeemed by the Issuer. See “—Tax Redemption.”

Tax Treatment of U.S. Holders of Notes

The Issuer has agreed and, by its acceptance of a Note, each Holder of a Note will be deemed to have agreed, to treat its Notes as debt of the issuer for United States federal income tax purposes (although this shall not prevent a U.S. Holder from making a QEF election, as defined below, on a protective basis or from making protective filings under Section 530, 8306 or 9640 of the Code). Upon the issuance of the Notes, Crick, Harrington & Subciffe LLP will deliver an opinion generally to the effect that, assuming compliance with the Indenture (and certain other documents) and based on certain factual representations made by the Issuer, the Class B Notes, Class A Notes, Class C Notes and Class D Notes will, and the Class D Notes should, be characterized as debt for United States federal income tax purposes. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterize any Class of Notes as equity or indebtedness. Except as provided under “—Alternative Characterization of the Notes” below, the balance of this discussion assumes that the Notes will be characterized as debt of the Issuer for United States federal income tax purposes.

Each U.S. Holder will include interest on the Notes in income in accordance with its regular method of accounting for United States federal income tax purposes unless the Notes are viewed as having been issued with original issue discount (“OID”) in which case, generally, each U.S. Holder would be required to accrue interest on the Note on an accrual basis under a constant yield methodology, based on the original yield to maturity of the Note. Because interest on the Class C Notes and Class D Notes may be deferred without giving rise to an Event of Default, all interest (including interest on accrued but unpaid interest) will be treated as OID unless the likelihood of default is remote. The Issuer has not determined whether the likelihood of default is remote for this purpose and, hence, will treat the interest on the Class C Notes and Class D Notes as OID. Additionally, the Issuer will treat any

Confidential Treatment Requested by Goldman Sachs

**GS MBS-E-021825494**
Class of Notes as having been issued with OID if (A) such Class is issued at a discount equal to or in excess of the product of 0.25% of the stated redemption price at maturity of such Class and the anticipated weighted average life of such Class or (B) the issue price of such Class exceeds the principal amount thereof by more than the lesser of (i) 15% or (ii) 0.015 multiplied by the anticipated weighted average life of the Class. Any accrued but unpaid OID included in income by a U.S. Holder will increase the U.S. Holder’s basis in its Note and thereby reduce the amount of gain or increase the amount of loss recognized by the U.S. Holder on a subsequent sale or other disposition of the Note.

Any OID on the Notes will likely be accruable under the special rules set forth in Section 1272(a)(9) of the Code (which apply to debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). If Section 1272(a)(9) does not apply, the Notes might be treated as “contingent payment debt instruments” (“CPDIs”) within the meaning of Treasury Regulation Section 1.1272-4. If any such Class of Notes were considered CPDIs, among other consequences, gain on the sale of such Notes that might otherwise be capital gain would be ordinary income. Prospective investors should consult their own tax advisors regarding the potential application of Section 1272(a)(9) of the Code to the Notes and the rules governing CPDIs.

In general, a U.S. Holder of a Note will have a tax basis in such Note equal to the cost of such Note increased by any OID and any market discount that the U.S. Holder has elected to include in income on a current basis and reduced by any amortized premium and payments of principal and OID. Upon a sale, exchange or other disposition of such a Note, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange or other disposition (less any accrued and unpaid interest, which would be taxable as such) and the U.S. Holder’s tax basis in such Note (as reduced by any accrued and unpaid Interest). Such gain or loss generally will be long term capital gain or loss (other than accrued market discount if the U.S. Holder has not elected to include such discount in income on a current basis) assuming that the U.S. Holder has held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for long term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterization of the Notes. Notwithstanding special U.S. tax counsel’s opinion, U.S. Holders should recognize that there is some uncertainty regarding the appropriate classification of instruments such as the Notes. It is possible, for example, that the IRS may contend that the Class D Notes and possibly other Classes of Notes should be treated as equity interests (or as part-debt, part-equity) in the Issuer. Such a recharacterization might result in materially adverse tax consequences to U.S. Holders. As a result, U.S. Holders of Notes may wish to consider the advisability of making a “QEF election” provided in Section 1295 of the Code on a “protective” basis (although this election may not be available since the current QEF regulations do not authorize protective QEF elections for debt that may be recharacterized as equity). Additionally, any such characterization could necessitate those U.S. Holders of a Class of Notes that is characterized as equity to file information returns with the IRS with respect to their acquisition of the Notes (and be subject to significant penalties for failure to do so). For the consequences that would apply if any Class of Notes were characterized as equity for United States federal income tax purposes, see below.

Tax Treatment of U.S. Holders of Income Notes

The Income Notes, although in the form of debt, will likely be characterized as equity for U.S. federal income tax purposes. Additionally, the Issuer has agreed, and, by its acceptance of an Income Note, each Holder of an Income Note will be deemed to have agreed, to treat the Income Notes as equity for U.S. federal income tax purposes. For purposes of this discussion, it is assumed that the Income Notes will be so characterized. It is noted, however, that in the event that the Income Notes were characterized as debt for United States federal income tax purposes, they would constitute contingent payment debt instruments; among the consequences that would result from an application of the rules applicable to contingent payment debt instruments; among the consequences that would result from an application of the rules applicable to contingent payment debt instruments, the income Notes is that gain on the sale of the Income Notes that might otherwise be capital gain would constitute ordinary income.
Subject to the rules discussed below relating to "passive foreign investment companies" (PFICs) or "control foreign corporation" (CFC), payments on the Income Notes should be treated as dividends to the extent of the current or accumulated earnings and profits of the issuer. Payments characterized as dividends would be taxable at regular marginal income tax rates applicable to ordinary income, and would not be entitled to the benefit of the dividends received deduction or any reduction in tax rates that may be available for certain dividends. Distributions in excess of the issuer's earnings and profits would be non-taxable to the extent of, and would be applied against and reduce, the U.S. Holder's adjusted tax basis in the Income Notes and, to the extent in excess of such basis, would be taxable as gain from the sale or exchange of property.

The tax consequences discussed in the preceding paragraph are likely to be significantly modified as a result of the application of the PFIC and CFC rules discussed below. Thus, U.S. Holders of the Income Notes will be viewed as owning stock in a PFIC and, possibly, in a CFC (depending, in the latter instance, on the percentage of voting equity that is acquired and held by certain U.S. Holders). If applicable, the rules pertaining to CFCs would generally override those pertaining to PFICs, although in certain circumstances both sets of rules could apply simultaneously.

Under the PFIC rules, U.S. Holders of the Income Notes (other than U.S. Holders that make a timely "QEF election", as described below) will be subject to special rules relating to the taxation of "excess distributions" — with excess distributions being defined to include certain distributions made by a PFIC on its stock as well as gain recognized on a disposition of PFIC stock. For this purpose, a U.S. Holder that uses its Income Notes as security for an obligation will be treated as having made a disposition of PFIC stock. In general, Section 1291 of the Code provides that the amount of any "excess distribution" will be allocated to each day of the U.S. Holder's holding period for its PFIC stock. The amount allocated to the current year will be included in the U.S. Holder's gross income for the current year as ordinary income. With respect to amounts allocated to prior years, the tax imposed for the current year will be increased by the "deferred tax amount," which is an amount calculated with respect to each prior year by multiplying the amount allocated to such year by the highest rate of tax in effect for such year, together with an interest charge as though the amounts of tax were overdue.

In order to avoid the application of the PFIC rules, U.S. Holders of Income Notes may wish to consider making the QEF election provided in Section 1295 of the Code. In lieu of the PFIC rules discussed above, a U.S. Holder of Income Notes that makes a valid QEF election will, in very general terms, be required to include its pro rata share of the issuer's ordinary income and net capital gains, unredeemable and any prior year losses, in income for each taxable year (as ordinary income and long-term capital gain, respectively) and to pay tax thereon, even if the amount of that income is not the same as the amount allocated to the holder of the Income Notes during the year. If the issuer later distributes the income on which the U.S. Holder has already paid taxes under the QEF rules, the amounts so distributed will not again be subject to tax in the hands of the U.S. Holder. A U.S. Holder's tax basis in any Income Notes as to which a QEF election has been irrevocably made will be increased by the amount included in such U.S. Holder's income as a result of the QEF election and decreased by the amount of nontaxable distributions received by the U.S. Holder. On the disposition (including redemption or retirement) of an Income Note, a U.S. Holder making the QEF election generally will recognize capital gain or loss equal to the difference, if any, between the amount realized upon such disposition and its adjusted tax basis in the Income Note. In general, a protective QEF election should be made on or before the due date for filing a U.S. Holder's federal income tax return for the first taxable year for which the U.S. Holder has held its Income Notes. In this regard, if certain required information is made available by the issuer, upon request, the issuer will provide any U.S. Holder of Income Notes and any U.S. Holder of a Class of Notes that may reasonably be characterized as equity in the issuer for United States federal income tax purposes with the information necessary for such U.S. Holder to make the QEF election. Nonetheless, there can be no assurance that such information will always be available.

The issuer may be treated as holding securities issued by non-U.S. corporations that are characterized as equity in one or more PFICs for United States federal income tax purposes, such as CDO Securities. In that event, U.S. Holders of the Income Notes would be treated as holding an interest in those indirectly-owned PFICs. Because the U.S. Holder — and not the issuer — would be required to make any QEF election with respect any such indirectly-owned PFIC, and because PFIC information...
Footnote Exhibits - Page 5586

statements necessary for any such election may not be made available by the PFIC; there can be no assurance that a U.S. Holder would be able to make a QEF election with respect to any particular indirectly-owned PFIC. If the U.S. Holder of any income Notes has not made a QEF election with respect to an indirectly-owned PFIC, the U.S. Holder would be subject to the consequences described above with respect to the excess distributions of such PFIC (including gain indirectly realized with respect to such PFIC on the sale of the issuer's interest in the PFIC and with respect to the sale by the U.S. Holder of its Income Notes). Alternatively, if the U.S. Holder has made a QEF election with respect to the indirectly-owned PFIC, the U.S. Holder would be required to include in income its share of the indirectly-owned PFIC's ordinary earnings and net capital gain.

U.S. tax law also contains special provisions relating to CFCs. A foreign corporation is a CFC if "U.S. Shareholders" in the aggregate own, directly or indirectly, more than 50% of the voting power or value of the stock of such corporation. For this purpose, a United States person that owns, directly or indirectly, ten percent or more of the voting stock of a CFC is considered a "U.S. Shareholder" with respect to the CFC. If any U.S. Holder of Income Notes were properly viewed as a U.S. Shareholder of the issuer under the CFC rules, the U.S. Holder would be subject each year to U.S. income tax (at ordinary income rates) on its pro rata share of the Income of the issuer (assuming that the issuer is properly classified as a CFC for the year and that the U.S. Holder holds its Income Notes as of the end of the year), regardless of the amount of cash distributions received by the U.S. Holder with respect to its Income Notes during the year. Earnings subject to tax to a U.S. Holder under the CFC rules would generally not be taxed again when distributed to the U.S. Holder. In addition, if the issuer is a CFC and a U.S. Holder is a U.S. Shareholder with respect to the issuer, all or a portion of the Income that otherwise would be characterized as capital gain upon a sale of U.S. Holder's Income Notes may be classified as ordinary income.

Prospective investors should be aware that in computing the issuer's earnings for purposes of the CFC rules, losses on dispositions of securities in bearer form may not be allowed, while in computing the issuer's ordinary earnings and net capital gains for purposes of the PFIC rules, losses on dispositions of securities in bearer form may be allowed and any gain on such securities may be ordinary rather than capital. Further, prospective investors should be aware that in the event that any of the Notes is not fully paid upon maturity, the issuer may recognize cancellation of indebtedness income for United States federal income tax purposes, without any corresponding offsetting loss (due to tax character differences or otherwise). In such a case, U.S. Holders of the Income Notes (and U.S. Holders of any Class of Notes treated as equities for United States federal income tax purposes) may also have phantom income as a result of such recognition by the issuer (pursuant to the QEF and CFC rules discussed above), as to which an offsetting loss may not be available to the U.S. Holders.

Tax Treatment of Non-U.S. Holders

A Non-U.S. Holder of Notes or Income Notes that has no connection with the United States generally should not be subject to United States withholding tax on payments in respect of the Notes or Income Notes, and also should not be subject to United States federal income tax on any gains recognized in connection with the sale or other disposition of the Notes or Income Notes, provided that the Non U.S. Holder makes certain tax representations regarding the identity of the beneficial owner of the Notes or Income Notes (and, with respect to any gain recognized in connection with the sale or other disposition of the Notes or Income Notes by a non resident alien individual, such individual is not present in the United States for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met).

Information Reporting Requirements

Information reporting to the IRS may be required with respect to payments on the Notes or Income Notes and with respect to proceeds from the sale of the Notes and Income Notes to Holders other than corporations and certain other exempt recipients. A "backup" withholding tax may apply to such payments if a Holder fails to provide certain identifying information (such as the Holder's taxpayer identification number or an attestation to the status of the Holder as a Non-U.S. Holder). Backup withholding tax may apply if payments on the Notes or Income Notes to Holders other than corporations and certain other exempt recipients are not reported to the IRS by the payor, and certain other conditions are met.
Footnote Exhibits - Page 5597

withholding is not an additional tax and may be refunded (or credited against the Holder's United States federal income tax liability, if any) provided that certain required information is furnished to the IRS in a timely manner.

Prospective investors should consult with their own tax advisors regarding whether they are required to file an IRS Form 8695 in respect of this transaction (setting to certain "reportable transactions"). Thus, for example, if a U.S. Holder were to sell its Notes or Income Notes at a loss, it is possible that this loss could constitute a reportable transaction and need to be reported on Form 8695. As another example, a transaction may be reportable if it is offered under conditions of confidentiality. In this regard, each Holder and beneficial holder of a Note and Income Note (and each of their respective employees, representatives or other agents) is hereby advised that it is permitted to disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described herein (including the ownership and disposition of the Notes or Income Notes) except where confidentiality is reasonably necessary to comply with the securities laws of any applicable jurisdiction. Significant penalties apply for failure to file Form 8695 when required, and U.S. Holders are therefore urged to consult their own tax advisors.

U.S. Holders of Income Notes and of any Class of Notes classified as equity for United States federal income tax purposes may be required to file Forms with the IRS under the applicable reporting provisions of the Code. For example, such U.S. Holders may be required, under Sections 6038, 6038B and/or 6046 of the Code, to supply the IRS with certain information regarding the U.S. Holder, other U.S. Holders and the issuer if (i) each person owns at least 10% of the total value of 10% of the total combined voting power of all classes of stock entitled to vote (or (ii) the acquisition, when aggregated with certain other acquisitions that may be treated as related under applicable regulations, exceeds $10,000,000. Upon request, the Issuer will provide U.S. Holders of Income Notes and of any Class of Notes that may reasonably be recharacterized as equity for United States federal income tax purposes with information about the Issuer and its shareholders that the Issuer possesses and that may be needed to complete any Form that is so required. In the event a U.S. Holder fails to file a form when required to do so, the U.S. Holder could be subject to substantial tax penalties.

Circular 230

Under 31 C.F.R. part 10, the regulations governing practice before the IRS (Circular 230), the Issuer and its tax advisors are (or may be) required to inform prospective investors that:

i. Any advice contained herein, including any opinions of counsel referred to herein, is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer;

ii. Any such advice is written to support the promotion or marketing of the Securities and the transactions described herein (or in such opinion or other advice); and

iii. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Cayman Islands Tax Considerations

The following discussion of certain Cayman Islands income tax consequences of an investment in the Notes is based on the advice of Maples and Calder as to Cayman Islands law. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It assumes that the Issuer will conduct its affairs in accordance with assumptions made by, and representations made to, counsel. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825498
Under existing Cayman Islands laws:

(i) payments of principal and interest in respect of the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any Holder of a Note and gains derived from the sale of Notes will not be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax; and

(ii) the Holder of any Note (or the legal personal representative of such Holder) whose Note is brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Note. In addition, an instrument transferring title to a Note, if bought or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for and obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

THE TAX CONCESSIONS LAW (1999 REVISION)

UNDERTAKING AS TO TAX CONCESSIONS

In accordance with Section 6 of the Tax Concessions Law (1999 Revision) the Governor in Cabinet undertakes with Timberwolf I, Ltd. (the "Company"):

(a) that no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

or

(i) on or in respect of the shares, debentures or other obligations of the Company;

or

(ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of twenty years from the date of the undertaking.

ERISA CONSIDERATIONS

The United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing such ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Security.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the
Footnote Exhibits - Page 5589

1518

Confidential Treatment Requested by Goldman Sachs   GS MBS-E-021825500

Code (collectively, "Parties in Interest") having certain relationships to such Plans, unless a statutory, regulatory or administrative exemption is applicable to the transaction. A Party in Interest who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

The United States Department of Labor ("DOL") has promulgated a regulation, 29 C.F.R. Section 2510.3-101, describing what constitutes the assets of a Plan ("Plan Assets") with respect to the Plan's investment in an entity for purposes of applying ERISA and Section 4975 of the Code. Section 3(42) of ERISA also describes what constitutes Plan Assets. Section 3(42) of ERISA and 29 C.F.R. Section 2510.3-101 are collectively the "Plan Asset Regulation." Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation in the entity by Benefit Plan Investors is not "significant." Section 3(42) of ERISA modified 29 C.F.R. Section 2510.3-101 to exclude plans not subject to Title I of ERISA or Section 4975 of the Code from the Benefit Plan Investor definition.

Prohibited transactions may arise under Section 406 of ERISA or Section 4975 of the Code if Securities are acquired with Plan Assets with respect to which the Issuer, the Initial Purchaser, the Collateral Manager or any of their respective affiliates, is a Party in Interest. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, including a statutory exemption under Section 406(b)(17) of ERISA for transactions involving "adequate consideration" with persons who are Parties in Interest solely by reason of their (or their affiliates') status as a service provider to the Plan involved and none of whom is a fiduciary with respect to the Plan Assets involved (or an affiliate of such a fiduciary). In addition, an administrative exemption may be available depending in part on the type of Plan Fiduciary making the decision to acquire a Security and the circumstances under which such decision is made. Included among these exemptions are: DOL Prohibited Transaction Class Exemption ("PTCE") 90-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-40, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding transactions effected by independent "qualified professional asset managers." There can be no assurance that any class or class of exemptions will be available with respect to any particular transaction involving the Securities, if available, the exemption would cover all possible prohibited transactions.

Governmental plans and certain church and other plans, while not necessarily subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nonetheless be subject to state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Securities.

Any insurance company proposing to invest assets of its general account in the Securities should consult with counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.
The sale of any Security to a Plan, or to a person using Plan Assets to effect its purchase of any Security, is in no respect a representation by the Issuer, the Initial Purchaser or the Collateral Manager that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Class S Notes, Class A Notes, Class B Notes and Class C Notes

For purposes of the Plan Asset Regulation, an equity interest includes any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Because the Notes (a) are expected to be treated as indebtedness under local law and for federal tax purposes (see “Income Tax Considerations” herein), and (b) should not be deemed to have any “substantial equity features,” purchases of the Notes with Plan Assets should not be treated as equity investments and, therefore, the Collateral Assets should not be deemed to be Plan Assets of the investing Plans. Those conclusions are based, in part, upon the traditional debt features of the Notes, including the reasonable expectation of purchasers of the Notes that the Notes will be repaid when due, as well as the absence of conversion rights, warrants and other typical equity features. However, if the Notes were nevertheless treated as equity interests for purposes of the Plan Asset Regulation and if the assets of the issuer were deemed to constitute Plan Assets of an Investing Plan, (1) transactions involving the assets of the issuer could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4077 of the Code, (2) the assets of the issuer could be subject to ERISA’s reporting and disclosure requirements, and (3) the fiduciary causing the Plan to make an investment in the Notes could be deemed to have delegated its responsibility to manage Plan Assets.

By its purchase of any Class S Note, Class A Note, Class B Note or Class C Note, the purchaser thereof will be deemed to have represented and warranted either that (i) it is not and will not be a Plan or an entity whose underlying assets include Plan Assets by reason of any Plan’s investment in the entity; or (ii) its purchase and holding of a Class S Note, Class A Note, Class B Note or Class C Note are eligible for the exemptive relief available under any of Section 408(b)(17) of ERISA or PTE 84-14, 90-1, 97-38, 95-60, 95-65 or a similar exemption.

Class D Notes and Income Notes

Equity participation in an entity by Benefit Plan Investors is “significant” under the Plan Asset Regulation (see above) if 25% or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors. If equity participation in the Issuer by Benefit Plan Investors is “significant,” the assets of the Issuer could be deemed to be Plan Assets of Plans investing in the equity. If the assets of the Issuer were deemed to constitute Plan Assets of an Investing Plan, (1) transactions involving the assets of the Issuer could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4077 of the Code, (2) the assets of the Issuer could be subject to ERISA’s reporting and disclosure requirements, and (3) the fiduciary causing the Plan to make an equity investment in the Issuer could be deemed to have delegated its responsibility to manage Plan Assets. The term “Benefit Plan Investor” includes (i) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (ii) a plan described in and subject to Section 4975(e)(1) of the Code and (iii) any entity whose underlying assets include Plan Assets by reason of any such Plan’s investment in the entity. An entity described in (b) above will be asked (i) to identify the maximum percentage of its assets that may or become Plan Assets and (ii) without limiting the remedies that may be available, in the event the maximum percentage is thereafter exceeded, to agree to notify the Issuer, and dispose of Income Notes as instructed by the Issuer, before the specified maximum percentage is exceeded. For purposes of making the 25% determination, the value of any equity interests in the Issuer held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Issuer, any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person (any of the foregoing, a “Controlling Person”), are disregarded. Under the Plan Asset Regulation, an “affiliate” of a person includes any person, directly or
Indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "control" with respect to a person, other than an individual, means the power to exercise a controlling influence over the management or policies of such person.

The Income Notes are not indebtedness under applicable local law and will be equity interests for purposes of applying ERISA and Section 4975 of the Code. The Class D Notes may also be treated as equity interests for purposes of applying ERISA and Section 4975 of the Code. Accordingly, purchases and transfers of Income Notes will be limited, so that less than 25% of the value of each of the Class D Notes and Income Notes will be held by Benefit Plan Investors, by requiring each purchaser or transferee of a Class D Note and an Income Note to make certain representations and agree to additional transfer restrictions described under "Notice to Investors." Benefit Plan Investors and Controlling Persons will not be permitted to purchase Regulation S Income Notes or Regulation S Class D Notes. No purchase of a Class D Note or an Income Note (other than a Regulation S Income Note and a Regulation S Class D Note) by, or proposed transfer to, a person that has represented that it is a Benefit Plan Investor or a Controlling Person will be permitted to the extent that such purchase or transfer would result in persons that have represented that they are Benefit Plan Investors owning 25% or more of any of the outstanding Class D Notes and Income Notes immediately after such purchase or proposed transfer (determined in accordance with the Plan Asset Regulation and the Indenture and the Fiscal Agency Agreement), based upon the representations made by Investors. In addition, the Initial Purchaser, the Collateral Manager and the Trustees agree that neither they nor any of their respective affiliates will acquire any Class D Notes or Income Notes unless such acquisition would not, as determined by the Trustee, result in persons that have acquired Class D Notes or Income Notes and represented that they are Benefit Plan Investors owning 25% or more of the outstanding Class D Notes or Income Notes immediately after such acquisition by the Initial Purchaser, the Collateral Manager or the Trustee. Class D Notes or Income Notes held as principal by the Initial Purchaser, the Collateral Manager, the Trustee, any of their respective affiliates and persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with the 25% limitation to the extent that such a Controlling Person is not a Benefit Plan Investor. Any Benefit Plan Investor that acquires Class D Notes or Income Notes (other than Regulation S Income Notes or Regulation S Class D Notes) will be required to represent and agree that the acquisition and holding of the Class D Notes or Income Notes (other than Regulation S Income Notes or Regulation S Class D Notes) do not and will not constitute a prohibited transaction under ERISA or Section 4975 of the Code for which an exemption is not available.

The U.S. Supreme Court, in John Hancock (noted above), held that those funds allocated to the general account of an insurance company pursuant to a contract with an employee benefit plan which vary with the investment experience of the insurance company are "plan assets." In the preamble to PTE 96-60 (also noted above), the DOL noted that, for purposes of calculating the 25% threshold under the agent participation test of the Plan Asset Regulation, only the proportion of an insurance company general account's equity investment in the entity that represents Plan Assets should be taken into account in calculating the portion of the general account that is a Benefit Plan Investor's investment in the insurance company using general account assets to purchase Class D Notes or Income Notes (other than Regulation S Income Notes or Regulation S Class D Notes) will be asked (i) to identify the percentage of the assets of the general account that may be or become Plan Assets, (ii) whether it is a "Controlling Person" (defined above), and (iii) without limiting the remedies that may be available, in the event that the maximum percentage is thereafter exceeded, to agree to notify the Issuer, and dispose of Class D Notes or Income Notes as instructed by the Issuer, before the specified maximum percentage is exceeded.

CERTAIN LEGAL INVESTMENT CONSIDERATIONS

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investments in the Notes or the Income Notes. Any such institution should consult its legal advisors in determining whether and to what extent it may participate in the Offered Securities.
extent there may be restrictions on its ability to invest in the Notes and the Income Notes. Without limiting
the foregoing, any financial institution that is subject to the jurisdiction of the Comptroller of Currency, the
Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the
Office of Thrift Supervision, the National Credit Union Administration, any state insurance commission, or
any other federal or state agencies with similar authority should review any applicable rules, guidelines
and regulations prior to purchasing the Notes or the Income Notes. Depository institutions should review
and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy
Statement on Securities Activities, which has been adopted by the respective federal regulators.

None of the Issuers or the Initial Purchaser make any representation as to the proper
classification of the Notes or Income Notes for legal investment or other purposes, or as to the ability
of particular investors to purchase the Notes or Income Notes for legal investment or other purposes, or
as to the ability of particular investors to purchase the Notes or Income Notes under applicable
investment restrictions. The Issuers understand that certain state insurance regulators, in response to a
request for guidance, may be considering the characterization (as U.S. domestic or foreign (non-U.S.)) of
certain collateralized debt obligation securities co-issued by a non-U.S. Issuer and a U.S. co-Issuer.
There can be no assurance as to the nature of any guidance or other action that may result from such
consideration. The uncertainties described above (and any unfavorable future determinations concerning
legal investment or financial institution regulatory characteristics of the Notes or Income Notes) may affect
the liquidity of the Notes or Income Notes. Accordingly, all institutions whose activities are subject to legal
investment laws and regulations, regulatory capital requirements or review by regulatory authorities
should consult their own legal advisors in determining whether and to what extent the Notes or Income
Notes are subject to investment, capital or other restrictions.

LISTING AND GENERAL INFORMATION

1. Application may be made to list some or all of the Securities on a stock exchange of
the Issuer's choice, if practicable. There can be no assurance that such application will be
granted or maintained. Copies of this offering circular, the Memorandum and Articles of Association of
the Issuer and the organization documents of the Co-Issuer, the Indenture, the Collateral Management
Agreement, the Fiscal Agency Agreement and the Cashflow Swap Agreement will be deposited with
the Note Paying Agent, the Listing and Paying Agent and at the registered office of the Issuer, where copies
thereof may be obtained, free of charge, upon request within fourteen days of the date of the Listing
Particulars.

2. Copies of the Memorandum and Articles of Association of the Issuer, the organizational
documents of the Co-Issuer, the resolutions of the Board of Directors of the Issuer authorizing the
issuance of the Securities, and the execution of the Indenture, the Collateral Management Agreement, the
Cashflow Swap Agreement and the resolutions of the sole member of the Co-Issuer authorizing the issuance of the Notes, and the execution
of the Indenture may be obtained free of charge upon request within thirty days of the date of this offering
circular at the office of a Paying Agent on behalf of the Issuer.

3. Each of the Issuers represents that there has been no material adverse change in its
financial position since its date of creation.

4. The Issuer is not required by Cayman Islands law, and the Issuer does not intend, to
publish annual reports and accounts. The Co-Issuer is not required by Delaware law, and the Co-Issuer
does not intend, to publish annual reports and accounts. The Indenture, however, requires the Issuer to
deliver to the Trustee and the Director's Certificate stating, as to such signatory thereof, that (a) a review of
the activities of the Issuer during the prior year and of the Issuer's performance under the Indenture has been
made under his supervision, and (b) to the best of his knowledge, based on such review, the Issuer has
fulfilled all of its obligations under the Indenture throughout the prior year, or, if there has been a default
in the fulfillment of any such obligation, specifying each such default known to him and the nature and status
thereof.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825503
5. The Issuers are not, and have not since incorporation or formation, as applicable, been involved in any litigation or arbitration proceedings relating to claims in amounts which may have or have had a material effect on the Issuers in the context of the issue of the Notes nor, so far as each of the Issuers is aware, is any such litigation or arbitration involving it pending or threatened.

6. The issuance of the Securities will be authorized by the Board of Directors of the Issuer by resolutions passed on or about the Closing Date. The issuance of the Notes will be authorized by the sole member of the Co-Issuer by action by written consent of the sole member passed on or about the Closing Date. Since incorporation or formation, as applicable, neither the Issuer nor the Co-Issuer has commenced trading or established any accounts, except as disclosed herein or accounts used to hold amounts received with respect to shares capital and fees.

7. The Notes sold in offshore transactions in reliance on Regulation S and represented by the Regulation S Global Notes have been accepted for clearance through Clearstream and Euroclear under the Common Codes indicated below. The CUSIP Numbers and International Securities Identification Numbers ("ISIN") for the Notes represented by Regulation S Global Notes and Rule 144A Global Notes are as indicated below:

<table>
<thead>
<tr>
<th>Regulation S Global Notes</th>
<th>Rule 144A Global Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CUSIP</strong></td>
<td><strong>ISIN</strong></td>
</tr>
<tr>
<td>Class S-1 Notes</td>
<td>GB8787AAAS</td>
</tr>
<tr>
<td>Class S-2 Notes</td>
<td>GB8787GAA4</td>
</tr>
<tr>
<td>Class A-1 Notes</td>
<td>GB8787GB06</td>
</tr>
<tr>
<td>Class A-1 Notes</td>
<td>GB8787GAC2</td>
</tr>
<tr>
<td>Class A-1 Notes</td>
<td>GB8787GAE3</td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>GB8787GAF7</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>GB8787YAG5</td>
</tr>
<tr>
<td>Class C Notes</td>
<td>GB8787YAH3</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>GB8787YAK7</td>
</tr>
<tr>
<td>Income Notes</td>
<td>GB8787YAA4</td>
</tr>
</tbody>
</table>

**LEGAL MATTERS**

Certain legal matters will be passed upon for the Collateral Manager by Sidley Austin LLP, New York, New York. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Maples and Calder. Certain legal matters will be passed upon for the Issuer and Goldman, Sachs & Co. by Orrick, Herrington & Sutcliffe LLP, New York, New York.

**UNDERWRITING**

The Securities will be offered by Goldman, Sachs & Co. (the "Initial Purchasers"), from time to time at varying prices in negotiated transactions subject to prior sale, when, as and if issued. Subject to the terms and conditions set forth in the Purchase Agreement (the "Purchase Agreement") dated as of March 27, 2007 among Goldman, Sachs & Co. and the Issuers, the Issuers have agreed to sell to Goldman, Sachs & Co. and Goldman, Sachs & Co. has agreed to purchase all of the Notes and the Income Notes.

Under the terms and conditions of the Purchase Agreement, Goldman, Sachs & Co. is committed to take and pay for all the Securities to be offered by it, if any are taken. Furthermore, under the terms and conditions of the Purchase Agreement, Goldman, Sachs & Co. may be entitled to an underwriting discount on the Securities purchased by it and will be entitled to the Deferred Structuring Expenses on each Payment Date in accordance with the Priority of Payments.

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-021325504
The Securities purchased from the Issuers by the Initial Purchaser will be offered by it from time to time for sale in negotiated transactions or otherwise at varying prices to be determined at the time of sale plus accrued interest, if any, from the Closing Date.

The Securities have not been and will not be registered under the Securities Act for offer or sale as part of their distribution and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. Person or a U.S. resident (as determined for purposes of the Investment Company Act, a "U.S. Resident") except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Issuers have been advised by the Initial Purchaser that (a) it proposes to sell the Securities outside the United States (in part, by Goldman, Sachs & Co., through its selling agent) in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) it proposes to sell the Securities in the United States only to (1) Qualified Institutional Buyers in reliance on Rule 144A purchasing for their own accounts or for the accounts of Qualified Institutional Buyers or (2) in the case of the Income Notes only, Accredited Investors, which have a net worth of not less than U.S.$10 million each of which purchasers or accounts is a Qualified Purchaser. The Initial Purchaser’s discount will be the same for the Regulation S Notes and the Rule 144A Notes offered hereby and for the Income Notes within each Class of Securities.

The Initial Purchaser has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Notes or Regulation S Income Notes purchased by it, to, or for the account or benefit of, any U.S. Person or U.S. Resident (as determined for purposes of the Investment Company Act) as part of its distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration in which it sells Regulation S Notes or Regulation S Income Notes purchased by it a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes or Regulation S Income Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

With respect to the Securities initially sold pursuant to Regulation S, until the expiration of (x) 40 days after the commencement of the distribution of the offering of the Notes by the Initial Purchaser, with respect to offers or sales of the Notes and (y) one year after the commencement of the distribution of the Income Notes, with respect to offers or sales of the Income Notes purchased by Goldman, Sachs & Co., an offer or sale of Securities within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A, or pursuant to another exemption from registration under the Securities Act.

The Initial Purchaser has represented, warranted and agreed that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA"); received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom. See "Undertaking.”

The Securities may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Securities may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825505
This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Securities under Section 275 except (1) to an Institutional Investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA, (2) where no consideration is given for the transfer, or (3) by operation of law.

The Securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and the Initial Purchaser has agreed that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

The Initial Purchaser has agreed that it has not made and will not make any invitation to the public in the Cayman Islands to purchase any of the Securities.

Buyers of Regulation S Securities sold by the selling agent of Goldman, Sachs & Co. may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the purchase price.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Securities, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuer or the Securities, in any jurisdiction where action for such purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Securities may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Securities are a new issue of securities with no established trading market. The Issuers have been advised by the Initial Purchaser that it may make a market in the Securities it is offering but is not obligated to do so and may discontinue making a market at any time without notice. No assurance can be given as to the liquidity of the trading market for the Securities. There can be no assurance that any secondary market for any of the Securities will develop, or, if a secondary market does develop, that it will provide the Holders of the Securities with liquidity of investment or that it will continue for the life of the Securities.

Application may be made to admit the Securities on a stock exchange of the Issuer’s choice, if practicable. There can be no assurance that such admission will be sought, granted or maintained.
The issuers have agreed to indemnify the Initial Purchaser, the Collateral Manager, the Issuer Administrator, the Collateral Administrator and the Trustee against certain liabilities, including in the case of the Initial Purchaser, liabilities under the Securities Act, or to contribute to payments they may be required to make in respect thereof. In addition, the issuers have made certain representations and warranties to the Initial Purchaser and have agreed to reimburse the Initial Purchaser for certain of their expenses.

The Initial Purchaser may, from time to time as principal or through one or more investment funds that it manages, make investments in the equity securities of one or more of the issuers of Collateral Assets with the result that one or more of such issuers may be or may become controlled by the Initial Purchaser.
### INDEX OF DEFINED TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>6</td>
</tr>
<tr>
<td>ABS Securities</td>
<td>A-3</td>
</tr>
<tr>
<td>Accounts</td>
<td>61, A-1</td>
</tr>
<tr>
<td>Accurately Invested</td>
<td>3, 7, 19</td>
</tr>
<tr>
<td>Actual Interest Amount</td>
<td>A-1</td>
</tr>
<tr>
<td>Actual Principal Amount</td>
<td>A-1</td>
</tr>
<tr>
<td>Actual Rating</td>
<td>A-1</td>
</tr>
<tr>
<td>Additional Fixed Amount</td>
<td>97</td>
</tr>
<tr>
<td>Adjusted Net Outstanding Portfolio Collateral Balance</td>
<td>A-1</td>
</tr>
<tr>
<td>Administration Agreement</td>
<td>122</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>A-1</td>
</tr>
<tr>
<td>Agenda</td>
<td>4, 26</td>
</tr>
<tr>
<td>Aggregate Amortization Amount</td>
<td>A-2</td>
</tr>
<tr>
<td>Aggregate Calculation Amount</td>
<td>A-2</td>
</tr>
<tr>
<td>Aggregate Calculation Amount of Defaulted Obligations and Deferred Interest PK Bonds</td>
<td>A-2</td>
</tr>
<tr>
<td>Aggregate Moody's Recovery Value</td>
<td>A-2</td>
</tr>
<tr>
<td>Aggregate Outstanding Amount</td>
<td>A-2</td>
</tr>
<tr>
<td>Aggregate Principal Amount</td>
<td>A-2</td>
</tr>
<tr>
<td>Aggregated Reference Obligation National Amount</td>
<td>96</td>
</tr>
<tr>
<td>Aggregate S&amp;P Recovery Value</td>
<td>A-2</td>
</tr>
<tr>
<td>Applicable Percentage</td>
<td>A-2</td>
</tr>
<tr>
<td>Applicable Recovery Rate</td>
<td>A-2</td>
</tr>
<tr>
<td>Asset-Backed Securities</td>
<td>A-3</td>
</tr>
<tr>
<td>Auction</td>
<td>31, 66</td>
</tr>
<tr>
<td>Auction Date</td>
<td>31, 66, A-3</td>
</tr>
<tr>
<td>Benefit Plan Investor</td>
<td>121</td>
</tr>
<tr>
<td>Benefit Plan Investors</td>
<td>9</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>A-3</td>
</tr>
<tr>
<td>Business Day</td>
<td>94</td>
</tr>
<tr>
<td>Calculation Account</td>
<td>A-3</td>
</tr>
<tr>
<td>Cashflow Swap Agreement</td>
<td>24, 108</td>
</tr>
<tr>
<td>Cashflow Swap Collateral</td>
<td>A-3</td>
</tr>
<tr>
<td>Cashflow Swap Collateral Account</td>
<td>96</td>
</tr>
<tr>
<td>Cashflow Swap Counterparty</td>
<td>108</td>
</tr>
<tr>
<td>Cashflow Swap Receipt Amount</td>
<td>A-3</td>
</tr>
<tr>
<td>Cashflow Swap Replacement Account</td>
<td>107</td>
</tr>
<tr>
<td>Cashflow Swap Replacement Process</td>
<td>107</td>
</tr>
<tr>
<td>Cashflow Swap Shortfall Amount</td>
<td>A-3</td>
</tr>
<tr>
<td>Cashflow Swap Shortfall Replacement Amount</td>
<td>A-3</td>
</tr>
<tr>
<td>Cashflow Swap Termination Receipts</td>
<td>A-3</td>
</tr>
<tr>
<td>Cashflow Swap Termination Receipts Amount</td>
<td>107</td>
</tr>
<tr>
<td>cause</td>
<td>117</td>
</tr>
<tr>
<td>CDO Collateral</td>
<td>147</td>
</tr>
<tr>
<td>CDO S Note Securities</td>
<td>A-3</td>
</tr>
<tr>
<td>CDX S Securities</td>
<td>A-3</td>
</tr>
<tr>
<td>CDR</td>
<td>111</td>
</tr>
<tr>
<td>CFCA</td>
<td>126</td>
</tr>
</tbody>
</table>

**Footnote Exhibits - Page 5597**

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825508
Footnote Exhibits - Page 5598

| Class D Overcollateralization Test | 35 |
| Class E Notes | 35 |
| Class E-1 Note Interest Amount | 53 |
| Class E-1 Note Interest Rate | 38 |
| Class E-1 Note Redemption Price | 65 |
| Class E-1 Notes | 25 |
| Class E-1 Notes Amortizing Principal Amount | 55 |
| Class E-2 Note Interest Amount | 65 |
| Class E-2 Note Interest Rate | 38 |
| Class E-2 Note Redemption Price | 65 |
| Class E-2 Notes | 25 |
| Class E-2 Notes Amortizing Principal Amount | 55 |
| Closing Date | 34 |
| Collateral Account | 55 |
| Collateral Account Balance | 55 |
| Collateral Administration Agreement | 55 |
| Collateral Administrator | 55 |
| Collateral Asset | 55 |
| Collateral Asset Principal Balance | 55 |
| Collateral Assets | 24 |
| Collateral Assets Assumptions | 109 |
| Collateral Management Agreement | 112 |
| Collateral Management Fee | 119 |
| Collateral Manager | 25 |
| Collateral Manager Affiliates | 117 |
| Collateral Manager Securities | 119 |
| Collection Account | 95 |
| Commercial Mortgage-Backed Securities | 66 |
| Controlling Class | 66 |
| Controlling Person | 131 |
| CUSIPs | 122 |
| Credit Amount Definitions | 99 |
| Credit Event | 99 |
| Credit Events | 66 |
| Credit Protection Amounts | 66 |
| Credit Risk Obligation | 84 |
| Credit Support Annex | 66 |
| Cumulative Defeased Management Fee | 120 |
| Current Defeased Management Fee | 120 |
| Defaulted Amount | 66 |
| Defaulted Swap Collateral | 66 |
| Defaulted Swap Collateral Account | 90 |
| Defaulted Swap Collateral Payments | 66 |
| Defaulted Trust | 66 |
| Defaulted Trust Obligation | 66 |
| Defaulted Synthetic Security Termination Payment | 108 |
| Deficient Interest PIK Bond | 7 |
| Deficient Structuring Expense | 7 |

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825509
<table>
<thead>
<tr>
<th>Income Note Certificate</th>
<th>A. 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Note Payment Account</td>
<td>A-11</td>
</tr>
<tr>
<td>Income Note Register</td>
<td>A-25</td>
</tr>
<tr>
<td>Income Notes Redemption Price</td>
<td>88</td>
</tr>
<tr>
<td>Income Notes Redemption Price</td>
<td>88</td>
</tr>
<tr>
<td>Indenture</td>
<td>2. 23</td>
</tr>
<tr>
<td>Indirect participant</td>
<td>134</td>
</tr>
<tr>
<td>Initial Purchase</td>
<td>2. 23</td>
</tr>
<tr>
<td>Interest Accrual Period</td>
<td>29. 62</td>
</tr>
<tr>
<td>Interest Calculations</td>
<td>0.4</td>
</tr>
<tr>
<td>Interest Proceeds</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall Amount</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall Cap</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall Cap Amount</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall Payment Amount</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall Reimbursement</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall Reimbursement Payment</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall Reimbursement Payment Amount</td>
<td>A-11</td>
</tr>
<tr>
<td>Interest Shortfall Reserve Account</td>
<td>A-11</td>
</tr>
<tr>
<td>Investment Company Act</td>
<td>1.123</td>
</tr>
<tr>
<td>IRS</td>
<td>40</td>
</tr>
<tr>
<td>ISIN</td>
<td>134</td>
</tr>
<tr>
<td>Issuer</td>
<td>2.4</td>
</tr>
<tr>
<td>Issuer Administrator</td>
<td>2.4</td>
</tr>
<tr>
<td>Issuer Ordinary Shares</td>
<td>24. 120</td>
</tr>
<tr>
<td>Issuer</td>
<td>2.4</td>
</tr>
<tr>
<td>LIBOR</td>
<td>.03</td>
</tr>
<tr>
<td>LIBOR Determination Date</td>
<td>53</td>
</tr>
<tr>
<td>Listing and Paying Agent</td>
<td>81</td>
</tr>
<tr>
<td>Moody's</td>
<td>A-12</td>
</tr>
<tr>
<td>Moody's Rating</td>
<td>A-13</td>
</tr>
<tr>
<td>Moody's Credit Rating</td>
<td>1</td>
</tr>
<tr>
<td>Moody's Idealized Cumulative Expected Loss Rate</td>
<td>A-13</td>
</tr>
<tr>
<td>Moody's First Trigger Rating Requirements</td>
<td>A-12</td>
</tr>
<tr>
<td>Moody's First Trigger Required Ratings</td>
<td>A-13</td>
</tr>
<tr>
<td>Moody's Recovery Rate</td>
<td>A-13</td>
</tr>
<tr>
<td>Moody's Second Trigger Rating Requirements</td>
<td>A-13</td>
</tr>
<tr>
<td>Moody's Second Trigger Required Ratings</td>
<td>A-13</td>
</tr>
<tr>
<td>Net Outstanding Portfolio Collateral Balance</td>
<td>A-13</td>
</tr>
<tr>
<td>Non-U.S. Holder</td>
<td>123</td>
</tr>
<tr>
<td>Note Agent</td>
<td>25</td>
</tr>
<tr>
<td>Note Calculation Agent</td>
<td>A-53</td>
</tr>
<tr>
<td>Note Interest Amounts</td>
<td>25</td>
</tr>
<tr>
<td>Note Interest Rates</td>
<td>29</td>
</tr>
<tr>
<td>Note Paying Agent</td>
<td>25</td>
</tr>
<tr>
<td>Note Paying Agent</td>
<td>25</td>
</tr>
<tr>
<td>Note Register</td>
<td>25</td>
</tr>
<tr>
<td>Note Transfer Agent</td>
<td>25</td>
</tr>
<tr>
<td>Noteholder</td>
<td>A-10</td>
</tr>
<tr>
<td>Notes</td>
<td>2.25</td>
</tr>
<tr>
<td>OID</td>
<td>124</td>
</tr>
<tr>
<td>Optional Redemption</td>
<td>32.67</td>
</tr>
<tr>
<td>Optional Redemption by Liquidation</td>
<td>32.67</td>
</tr>
<tr>
<td>Optional Redemption by Refinancing</td>
<td>32.67</td>
</tr>
<tr>
<td>Optional Redemption Date</td>
<td>32</td>
</tr>
<tr>
<td>Outstanding Principal Amount</td>
<td>A-13</td>
</tr>
<tr>
<td>Overcollateralization Ratios</td>
<td>A-14</td>
</tr>
<tr>
<td>Participants</td>
<td>83</td>
</tr>
<tr>
<td>Parties in Interest</td>
<td>A-120</td>
</tr>
<tr>
<td>Paying Agent</td>
<td>85</td>
</tr>
<tr>
<td>Payment Account</td>
<td>85</td>
</tr>
<tr>
<td>Payment Account</td>
<td>85</td>
</tr>
<tr>
<td>Payment Date</td>
<td>2. 28. 8</td>
</tr>
<tr>
<td>Payment Agent</td>
<td>85</td>
</tr>
<tr>
<td>Payment Agent</td>
<td>85</td>
</tr>
<tr>
<td>Payment Report</td>
<td>33. 105</td>
</tr>
<tr>
<td>Payment Requirement</td>
<td>A-14</td>
</tr>
<tr>
<td>PCPA</td>
<td>A-14</td>
</tr>
<tr>
<td>Physical Settlement Amount</td>
<td>98. 14</td>
</tr>
<tr>
<td>Physical Settlement Date</td>
<td>A-14</td>
</tr>
<tr>
<td>PIK Bond</td>
<td>A-14</td>
</tr>
<tr>
<td>Plan Asset Regulation</td>
<td>8. 130</td>
</tr>
<tr>
<td>Plan Assets</td>
<td>A-14</td>
</tr>
<tr>
<td>Plan Date</td>
<td>A-14</td>
</tr>
<tr>
<td>Principal Balance</td>
<td>A-14</td>
</tr>
<tr>
<td>Principal Note Paying Agent</td>
<td>25</td>
</tr>
<tr>
<td>Principal Proceeds</td>
<td>A-14</td>
</tr>
<tr>
<td>Principal Shortfall Amount</td>
<td>A-14</td>
</tr>
<tr>
<td>Principal Shortfall Reimbursement</td>
<td>A-15</td>
</tr>
<tr>
<td>Principal Shortfall Reimbursement Payment</td>
<td>A-15</td>
</tr>
<tr>
<td>Principal Shortfall Reimbursement Payment Amount</td>
<td>A-15</td>
</tr>
<tr>
<td>Priority of Payments</td>
<td>80</td>
</tr>
<tr>
<td>Proceeds</td>
<td>15</td>
</tr>
<tr>
<td>Purchase Agreement</td>
<td>124</td>
</tr>
<tr>
<td>Qualified Institutional Buyer</td>
<td>7. 19</td>
</tr>
<tr>
<td>Qualified Purchaser</td>
<td>3. 7. 19</td>
</tr>
<tr>
<td>Quarterly Asset Amount</td>
<td>18. 18</td>
</tr>
<tr>
<td>Rating Agency</td>
<td>18. 18</td>
</tr>
<tr>
<td>Rating Agency Condition</td>
<td>A-15</td>
</tr>
<tr>
<td>Redemption Date</td>
<td>A-19</td>
</tr>
<tr>
<td>Redemption Price</td>
<td>A-19</td>
</tr>
<tr>
<td>Reference Banks</td>
<td>83</td>
</tr>
<tr>
<td>Reference Date</td>
<td>80</td>
</tr>
<tr>
<td>Reference Entity</td>
<td>A-19</td>
</tr>
<tr>
<td>Reference Obligation</td>
<td>A-19</td>
</tr>
</tbody>
</table>
Footnote Exhibits - Page 5600

<table>
<thead>
<tr>
<th>Reference Obligation Calculation Period</th>
<th>A-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference Obligation Coupon</td>
<td>A-16</td>
</tr>
<tr>
<td>Reference Obligation National Amount</td>
<td>A-16</td>
</tr>
<tr>
<td>Reference Obligation Payment Date</td>
<td>A-16</td>
</tr>
<tr>
<td>Reference Obligation Principal Amortization Amount</td>
<td>A-16</td>
</tr>
<tr>
<td>Reference Obligation Principal Payment</td>
<td>A-16</td>
</tr>
<tr>
<td>Reference Obligor</td>
<td>A-16</td>
</tr>
<tr>
<td>Reference Prior</td>
<td>A-16</td>
</tr>
<tr>
<td>Refinancing Proceeds</td>
<td>32, 37</td>
</tr>
<tr>
<td>Registered</td>
<td>A-17</td>
</tr>
<tr>
<td>Regulation S</td>
<td>1</td>
</tr>
<tr>
<td>Regulation S Class D Notes</td>
<td>A-10</td>
</tr>
<tr>
<td>Regulation S Income Notes</td>
<td>19</td>
</tr>
<tr>
<td>Regulation S Notes</td>
<td>6, 19</td>
</tr>
<tr>
<td>Regulation S Securities</td>
<td>3, 19</td>
</tr>
<tr>
<td>Relevant Amount</td>
<td>A-17</td>
</tr>
<tr>
<td>Relief Act</td>
<td>51</td>
</tr>
<tr>
<td>Replacement Cashflow Swap Agreement</td>
<td>107</td>
</tr>
<tr>
<td>Replacement Manager Conditions</td>
<td>110</td>
</tr>
<tr>
<td>Reserved Matters</td>
<td>76</td>
</tr>
<tr>
<td>Residential Mortgage-Backed Securities</td>
<td>A-17</td>
</tr>
<tr>
<td>RMBS</td>
<td>50, A-17</td>
</tr>
<tr>
<td>RSA 421-B</td>
<td>4</td>
</tr>
<tr>
<td>Rule 144A</td>
<td>3, 34</td>
</tr>
<tr>
<td>Rule 144A Global Notes</td>
<td>7</td>
</tr>
<tr>
<td>Rule 144A Notes</td>
<td>1</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>A-17</td>
</tr>
<tr>
<td>S&amp;P Rating</td>
<td>A-17</td>
</tr>
<tr>
<td>S&amp;P Recovery Rate</td>
<td>A-17</td>
</tr>
<tr>
<td>Sale Proceeds</td>
<td>A-17</td>
</tr>
<tr>
<td>Scheduled Payment Date</td>
<td>36</td>
</tr>
<tr>
<td>Scheduled Termination Date</td>
<td>97</td>
</tr>
<tr>
<td>SEC</td>
<td>15</td>
</tr>
<tr>
<td>Secured Obligations</td>
<td>33</td>
</tr>
<tr>
<td>Secured Parties</td>
<td>33, 51</td>
</tr>
<tr>
<td>Securities Act</td>
<td>1</td>
</tr>
<tr>
<td>Securities Intermediary</td>
<td>2, 25</td>
</tr>
<tr>
<td>SFIA</td>
<td>136</td>
</tr>
<tr>
<td>Share Trustee</td>
<td>24</td>
</tr>
<tr>
<td>Single B Calculation Amount</td>
<td>A-17</td>
</tr>
<tr>
<td>Single B Rated Asset</td>
<td>30, 34, 85</td>
</tr>
<tr>
<td>Stated Maturity</td>
<td>A-17</td>
</tr>
<tr>
<td>Statutory Loss Amount</td>
<td>A-17</td>
</tr>
<tr>
<td>SupraMajority</td>
<td>A-17</td>
</tr>
<tr>
<td>Synthetic Security</td>
<td>A-17</td>
</tr>
<tr>
<td>Synthetic Security Collateral</td>
<td>96</td>
</tr>
<tr>
<td>Synthetic Security Collateral Account</td>
<td>96</td>
</tr>
<tr>
<td>Synthetic Security Counterparty</td>
<td>A-18</td>
</tr>
<tr>
<td>Synthetic Security Termination Payment</td>
<td>A-18</td>
</tr>
<tr>
<td>Tax Event</td>
<td>A-18</td>
</tr>
<tr>
<td>Tax Redemption</td>
<td>31, 86</td>
</tr>
<tr>
<td>Tax Redemption Date</td>
<td>86</td>
</tr>
<tr>
<td>Temporary Regulation S Global Notes</td>
<td>34</td>
</tr>
<tr>
<td>Terms and Conditions</td>
<td>2, 28, 83</td>
</tr>
<tr>
<td>Total Redemption Amount</td>
<td>60, A-18</td>
</tr>
<tr>
<td>Transaction Documents</td>
<td>99</td>
</tr>
<tr>
<td>Transaction-Specific Cash Flow Model</td>
<td>99</td>
</tr>
<tr>
<td>Transfer Agents</td>
<td>88</td>
</tr>
<tr>
<td>Transfer Date</td>
<td>95</td>
</tr>
<tr>
<td>Treasury</td>
<td>60, A-18</td>
</tr>
<tr>
<td>Triple C Calculation Amount</td>
<td>A-19</td>
</tr>
<tr>
<td>Triple C Rated Asset</td>
<td>A-18</td>
</tr>
<tr>
<td>Trustee</td>
<td>2, 25</td>
</tr>
<tr>
<td>U.S. Dollar</td>
<td>5</td>
</tr>
<tr>
<td>U.S. Holder</td>
<td>123</td>
</tr>
<tr>
<td>U.S. Person</td>
<td>34</td>
</tr>
<tr>
<td>U.S. Retailer</td>
<td>155</td>
</tr>
<tr>
<td>U.S. Shareholder</td>
<td>167</td>
</tr>
<tr>
<td>U.S.S.</td>
<td>8</td>
</tr>
<tr>
<td>USA PATRIOT Act</td>
<td>80</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>99</td>
</tr>
<tr>
<td>Withdrawn Amount</td>
<td>A-18</td>
</tr>
<tr>
<td>Withdrawn Reimbursement</td>
<td>A-18</td>
</tr>
<tr>
<td>Withdrawn Reimbursement Amount</td>
<td>A-18</td>
</tr>
<tr>
<td>Withdrawn Reimbursement Payment Amount</td>
<td>A-18</td>
</tr>
<tr>
<td>Withdrawn Reserve Amount</td>
<td>A-18</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825511
APPENDIX A

Certain Definitions

"Accounts" means collectively, the Collection Account, the Payment Account, the Expense Reserve Account, the Cashflow Swap Termination Receipts Account, the Cashflow Swap Replacement Account, the Cashflow Swap Collateral Account, the Default Swap Collateral Account, the Synthetic Security Collateral Account and the Collateral Account.

"Actual Interest Amount" means with respect to any Reference Obligation Payment Date, payment by or on behalf of the Reference Entity of an amount in respect of interest due under the Reference Obligation (excluding, without limitation, any deferred interest or defaulted interest relating to the Synthetic Security but excluding payments in respect of prepayment penalties, yield maintenance provisions or principal, except that the Actual Interest Amount shall include any payment of principal representing capitalized interest) to the holder(s) of the Reference Obligation in respect of the Reference Obligation.

"Actual Principal Amount" means, with respect to the Final Amortization Date or the legal final maturity date of any Reference Obligation, the amount paid on such day by or on behalf of the Reference Entity in respect of principal (excluding any capitalized interest) to the holder(s) of the Reference Obligation in respect of the Reference Obligation.

"Actual Rating" means with respect to any Collateral Asset or Eligible Investment, the actual expressly monitored outstanding public rating assigned by a Rating Agency without reference to any other rating by another Rating Agency, and which rating by its terms addresses the full scope of the payment promise of the obligor on such Collateral Asset or Eligible Investment, after taking into account any applicable guarantee or Insurance policy or if no such rating is available from a Rating Agency, any "credit estimator" or "shadow rating" assigned by such Rating Agency. For purposes of this definition, (i) the rating of "AA" assigned by Moody's to a Collateral Asset or an Eligible Investment placed on watch for possible downgrade by Moody's will be deemed to have been downgraded by Moody's by one subcategory and any other rating assigned by Moody's to any Collateral Asset or an Eligible Investment placed on watch for possible downgrade by Moody's will be deemed to have been downgraded by Moody's by two subcategories, (ii) the rating assigned by S&P to a Collateral Asset or an Eligible Investment placed on watch for possible downgrade by S&P will be deemed to have been downgraded by S&P by one subcategory and (iii) the rating assigned by Moody's or S&P to a Collateral Asset or Eligible Investment placed on watch for possible upgrade by such Rating Agency will be deemed to have been upgraded by such Rating Agency by one subcategory.

"Adjusted Net Outstanding Portfolio Collateral Balance" means, on any Determination Date, the Net Outstanding Portfolio Collateral Balance reduced by the excess, if any, of (i) the product of (a) the Statistical Loss Amount and (b) the lesser of 1 and a fraction the numerator of which is U.S.$1,000,000,000 and the denominator of which is the Net Outstanding Portfolio Collateral Balance as of such Determination Date over (ii) the product of (a) the U.S.$ 3,750,000 and (b) the lesser of 1 and a fraction the numerator of which is the Net Outstanding Portfolio Collateral Balance as of such Determination Date and the denominator of which is U.S.$ 1,000,000,000.

"Administrative Expenses" means amounts (including indemnities) due and accrued with respect to any Payment Date and payable by the Issuer and/or the Co-Issuer to (i) the Trustee pursuant to the Indenture or any co-trustee appointed pursuant to the Indenture, the Collateral Administrator pursuant to the Collateral Administration Agreement and the Collateral Manager pursuant to the Collateral Administration Agreement; (ii) the Issuer Administrator pursuant to the Administration Agreement; (iii) the Independent accountants, agents (including the Note Adequa under the Indenture and the Income Note Registrars) and counsel of the Issuer for fees and expenses (including amounts payable in connection with the preparation of tax forms on behalf of the Issuers); (iv) the Collateral Manager pursuant to the Collateral Management Agreement (other than the Collateral Management Fee); (v) the Rating Agencies for fees and expenses in connection with any rating or credit estimate (including the fees payable to the Rating Agencies for the monitoring of

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825513
any rating or credit estimate) of the Notes, including fees and expenses, if any, due or accrued in connection with any rating of the Collateral Assets; (vi) any other person in respect of any governmental fees, charges or tax in relation to the issuer or the Co-Issuer; (vii) to the liquidator(s) of the Issuer for the fees and expenses of liquidating the Issuer following the redemption of all of the Notes; (viii) any stock exchange listing any Securities at the request of the Issuer; and (ix) any other person in respect of any other fees or expenses (including indemnities and fees relating to the provision of the Issuer’s registered office permitted under the Transaction Documents); provided that Administrative Expenses shall not include (a) any amounts due or accrued with respect to the actions taken on or in connection with the Closing Date, (b) amounts payable in respect of the Notes and the Income Notes, (c) amounts payable under any Cashflow Swap Agreement and (d) any Collateral Management Fee payable pursuant to the Collateral Management Agreement.

"Aggregate Amortization Amount" means, with respect to any Determination Date, the excess, if any, of (i) the sum of (a) the sum of (A) the Reference Obligation Notional Amount and (B) the par value of any Deliverable Obligations and (B) the Aggregate Calculation Amount of Defaulted Obligations and Defaulted Interest PIK Bonds; (ii) the aggregate of the Market Values of all Defaulted Obligations and Defaulted Interest PIK Bonds, and (C) the aggregate of the Market Values of all Defaulted Obligations and Defaulted Interest PIK Bonds.

"Aggregate Calculation Amount of Defaulted Obligations and Defaulted Interest PIK Bonds" means the least of (a) the Aggregate Moody’s Recovery Value of all Defaulted Obligations and Defaulted Interest PIK Bonds, (b) the Aggregate S&P Recovery Value of all Defaulted Obligations and Defaulted Interest PIK Bonds, and (c) the aggregate of the Market Values of all Defaulted Obligations and Defaulted Interest PIK Bonds.

"Aggregate Moody’s Recovery Value" means, with respect to Defaulted Obligations and Defaulted Interest PIK Bonds, the aggregate of (a) the Moody’s Recovery Rate for each such asset multiplied by (b) the Principal Balance of such asset.

"Aggregate Outstanding Amount" means, with respect to any of the Notes or Income Notes, the aggregate principal amount of such Notes or Income Notes as of the date of determination.

"Aggregate Principal Amount" means the aggregate of the Principal Balances of all Collateral Assets and Eligible Investments purchased with Principal Proceeds and the amount of any cash which constitutes Principal Proceeds.

"Aggregate S&P Recovery Value" means the sum of, with respect to each Defaulted Obligation and each Defaulted Interest PIK Bond of the Issuer of (a) the Market Value of such Defaulted Obligation or Defaulted Interest PIK Bond, as applicable, and (b) the S&P Recovery Rate for such Collateral Asset multiplied by the Principal Balance of such Collateral Asset.

"Applicable Percentage" means, on any day, a percentage equal to (A) divided by (B), where "A" means the quotient of the Initial Face Amount (as such term is defined in the Master Confirmation) multiplied by the Initial Factor (as such term is defined in the Master Confirmation) as decreased on each Delivery Date by an amount equal to (a) the outstanding principal balance of Deliverable Obligations delivered to the Issuer (as adjusted by the Relevant Amount, if any) divided by the Current Factor (as such term is defined in the Master Confirmation) on such day multiplied by (b) the Initial Factor (as such term is defined in the Master Confirmation) and where "B" means the product of the Original Principal Amount (as such term is defined in the Master Agreement) of the related Reference Obligation and the Initial Factor (as such term is defined in the Master Confirmation) as increased by the outstanding principal balance of any further issues by the Reference Entity that are fungible with and form part of the same legal series as the Reference Obligation; and (b) as decreased by any cancellations of some or all of the outstanding principal amount of the related Reference Obligation resulting from purchases of the Reference Obligation by or on behalf of the Reference Entity.

"Applicable Recovery Rate" means, with respect to any Collateral Asset on any Determination Date, the lesser of the Moody’s Recovery Rate and the S&P Recovery Rate.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825514
"Asset-Backed Securities" or "ABS Securities" means any obligation that is a security that is primarily serviced by the cash flows of a discrete pool of receivables or other financial assets, either fixed or revolving and that, by its terms, converts to cash within a finite time period.

"Auction Payment Date" means the Auction Date on which the Notes and Income Notes are redeemed in whole in connection with a successful Auction.

"Board of Directors" means, with respect to the Issuer or the Co-Issuer, the directors of the Issuer or the Co-Issuer, as applicable, duly appointed by the shareholders or the directors of the Issuer or the Co-Issuer, as applicable.

"Calculation Amount" means (i) with respect to any Defaulted Obligation or Defaulted Interest PK Bond not related to a Synthetic Security, the lesser of (a) the Market Value of such Defaulted Obligation or Defaulted Interest PK Bond or (b) the Applicable Recovery Rate multiplied by the Principal Balance of such Defaulted Obligation or Defaulted Interest PK Bond and (ii) with respect to any Defaulted Obligation or Defaulted Interest PK Bond related to a Synthetic Security, the lesser of (a) the Market Value of the related Reference Obligation and (b) the Market Value of the Synthetic Security and (c) the Applicable Recovery Rate multiplied by the Principal Balance of such Defaulted Obligation or Defaulted Interest PK Bond. For purposes of determining the Calculation Amount, the Principal Balance of a Defaulted Obligation shall be deemed to be its outstanding principal amount and the Principal Balance of a Defaulted Interest PK Bond shall be deemed to be its outstanding principal amount without regard to any deferred or capitalized interest.

"Cashflow Swap Collateral" means, any cash, securities or other collateral delivered and/or pledged by the Cashflow Swap Counterparty to or for the benefit of the Issuer, including, without limitation, any upfront payment of cash or delivery of securities made by the Cashflow Swap Counterparty to satisfy or secure its payment obligations pursuant to the terms of the related Cashflow Swap Agreement.

"Cashflow Swap Receipt Amount" means, with respect to the Cashflow Swap Agreement and any Payment Date, any Cashflow Swap Agreement receivable, including any other amounts payable in respect of any termination of any Cashflow Swap Agreement.

"Cashflow Swap Shortfall Amount" means the amount by which the costs of entering into a Replacement Cashflow Swap Agreement exceed the funds available therefor in the Cashflow Swap Termination Receipts Account.

"Cashflow Swap Shortfall Amount" has the meaning set forth in the Cashflow Swap Agreement.

"Cashflow Swap Termination Receipts" means any amount payable by a Cashflow Swap Counterparty to the Issuer upon termination of a Cashflow Swap Agreement.

"CDO Securities" means the collateralized debt obligations (including, without limitation, any synthetic collateralized debt obligations) at any time on deposit in the Collateral Account that are not subject to withholding or similar taxes unless the relevant Issuer is required to make "gross up" payments that cover the full amount of any such taxes.

"CDO 8 Note Securities" means CDO Securities that, pursuant to the terms of the related underlying instruments, are senior to all other securities issued in the related transaction and are entitled to principal payments in accordance with a fixed payment schedule, which principal payments are paid by applying, first, interest proceeds available, and second, principal proceeds available.


Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825515
"Class A Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance (for the purposes of such calculation, the Adjusted Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) divided by the Aggregate Outstanding Amount of the Class A Notes and the Class A-1 Notes, after giving effect to payments to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class A-1 Note Payment Sequence" shall mean the application of funds in respect of the Class A-1 Notes, first, to the payment of principal in respect of the Class A-1a Notes until the Aggregate Outstanding Amount thereof is paid in full, second, to the payment of principal in respect of the Class A-1b Notes until the Aggregate Outstanding Amount thereof is paid in full, third, to the payment of principal in respect of the Class A-1c Notes until the Aggregate Outstanding Amount thereof is paid in full and, fourth, to the payment of principal in respect of the Class A-1d Notes until the Aggregate Outstanding Amount thereof is paid in full.

"Class A-1a Note Redemption Price" shall equal (i) the Aggregate Outstanding Amount of the Class A-1a Notes plus (f) accrued and unpaid Interest thereon (including Defaulted Interest and Interest on Defaulted Interest, if any) but excluding the Redemption Date.

"Class A-1b Note Redemption Price" shall equal (i) the Aggregate Outstanding Amount of the Class A-1b Notes plus (f) accrued and unpaid Interest thereon (including Defaulted Interest and Interest on Defaulted Interest, if any) but excluding the Redemption Date.

"Class A-1c Note Redemption Price" shall equal (i) the Aggregate Outstanding Amount of the Class A-1c Notes plus (f) accrued and unpaid Interest thereon (including Defaulted Interest and Interest on Defaulted Interest, if any) but excluding the Redemption Date.

"Class A-1d Note Redemption Price" shall equal (i) the Aggregate Outstanding Amount of the Class A-1d Notes plus (f) accrued and unpaid Interest thereon (including Defaulted Interest and Interest on Defaulted Interest, if any) but excluding the Redemption Date.

"Class A-2 Note Redemption Price" shall equal (i) the Aggregate Outstanding Amount of the Class A-2 Notes plus (f) accrued and unpaid Interest thereon (including Defaulted Interest and Interest on Defaulted Interest, if any) but excluding the Redemption Date.

"Class B Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance (for the purposes of such calculation, the Adjusted Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) divided by the sum of the Aggregate Outstanding Amount of the Class B Notes and the Class B Notes and the Class C Notes, after giving effect to payments, as applicable, to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class B Note Redemption Price" shall equal (i) the Aggregate Outstanding Amount of the Class B Notes, plus (f) accrued Interest thereon (including Defaulted Interest and Interest on Defaulted Interest, if any) but excluding the Redemption Date.

"Class C Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance (for the purposes of such calculation, the Adjusted Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) divided by the sum of the Aggregate Outstanding Amount of the Class C Notes, the Class B Notes and the Class C Notes, including Class C Deferred Interest, after giving effect to payments, as applicable, to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class C Note Redemption Price" shall equal the sum of (i) Aggregate Outstanding Amount of the Class C Notes (including any Class C Deferred Interest) plus (f) accrued Interest thereon (including any Defaulted Interest and Interest on Defaulted Interest, if any) but excluding the Redemption Date.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825516
"Class D Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance (for the purposes of such calculation, the Adjusted Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) divided by the sum of the Aggregate Outstanding Amount of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, including Class C Deferred interest and Class D Deferred Interest, after giving effect to payments, as applicable, to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class D Note Redemption Prior" shall equal the sum of (i) the Aggregate Outstanding Amount of the Class D Notes (including any Class D Deferred Interest) plus (ii) accrued Interest thereon (including any Deferred Interest and any Interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class D Notes Amortizing Principal Amount" means an amount equal to the lesser of (a) with respect to the first Payment Date U.S. $200,000,000, and with respect to any other Payment Date up to and including the Payment Date in March 2014, U.S.$100,000,000 and (b) the remaining principal balance of the Class D Notes (including any Deferred Interest and any Defaulted Interest and Interest thereon).

"Class S-1 Note Redemption Prior" shall equal (i) the Aggregate Outstanding Amount of the Class S-1 Notes, plus (ii) accrued Interest thereon (including Defaulted Interest and Interest on Defaulted Interest, if any) to, but excluding, the Redemption Date.

"Class S-1 Notes Amortizing Principal Amount" means, with respect to any Payment Date commencing with the Payment Date in December 2007, the lesser of (a) U.S.$ 502,000,000, plus the aggregate amount of any Class S-1 Notes Amortizing Principal Amounts that were due on any prior Payment Date and not paid on one or more prior Payment Dates, plus accrued Interest at the Class S-1 Note Interest Rate on any such unpaid amount from the prior Payment Date and (b) the Aggregate Outstanding Amount of the Class S-1 Notes.

"Class S-2 Note Redemption Prior" shall equal (i) the Aggregate Outstanding Amount of the Class S-2 Notes, plus (ii) accrued Interest thereon (including Defaulted Interest and Interest on Defaulted Interest, if any) to, but excluding, the Redemption Date.

"Class S-2 Notes Amortizing Principal Amount" means, with respect to any Payment Date commencing with the Payment Date in December 2007, the lesser of (a) U.S.$ 616,750,000, plus the aggregate amount of any Class S-2 Notes Amortizing Principal Amounts that were due on any prior Payment Date and not paid on one or more prior Payment Dates, plus accrued Interest at the Class S-2 Note Interest Rate on any such unpaid amount from the prior Payment Date and (b) the Aggregate Outstanding Amount of the Class S-2 Notes.

"Collateral Account" means a segregated non-interest bearing trust account, including all sub-accounts thereof, held in the name of the Trustee into which Collateral will be deposited from time to time.

"Collateral Administration Agreement" means the Collateral Administration Agreement, dated as of the Closing Date, among the Issuer, the Collateral Administrator and the Collateral Manager, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Collateral Administrator" means The Bank of New York, or any successor Collateral Administrator under the Collateral Administration Agreement.

"Collateral Asset" means a Synthetic Security, a CDO Security, a Deliverable Obligation or an Item of Default Swap Collateral that has been released from the lien of the Synthetic Security Counterparty and credited to the Collateral Account as described herein.

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5607

"Commercial Mortgage-Backed Securities" or "CMBS" means securities backed by obligations (including certificates of participation in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers.

"Controlling Class" will be the Class S-1 Notes and the Class A-1 Notes for so long as any Class S-1 Notes and Class A-1 Notes are outstanding; if no Class S-1 Notes are outstanding but Class A-1 Notes are outstanding, then the Class A-1 Notes; if no Class S-1 Notes or Class A-1 Notes are outstanding, then the Class B-2 Notes and the Class A-2 Notes, for so long as any Class B-2 Notes and Class A-2 Notes are outstanding; if no Class B-2 Notes are outstanding but Class A-2 Notes are outstanding, then the Class A-2 Notes; if no Class B-2 Notes or Class A-2 Notes are outstanding, then the Class C Notes, so long as any Class C Notes are outstanding, and if no Class C Notes, Class A Notes, Class B Notes or Class C Notes are outstanding, then the Class D Notes, so long any Class D Notes are outstanding.

"Credit Derivatives Definitions" means the 2003 ISDA Credit Derivatives Definitions

"Credit Protection Amounts" means Physical Settlement Amounts, Writedown Amounts, Principal Shortfall Amounts, Interest Shortfall Amounts and Synthetic Security Termination Payments (which, for the avoidance of doubt, will not include Defaulted Swap Termination Payments) payable by the Issuer to the Synthetic Security Counterparty.

"Credit Support Annex" means the ISDA Credit Support Annex entered into by the Issuer and the Cashflow Swap Counterparty on the Closing Date.

"Deed of Covenant" means the deed of covenant executed by the Issuer on or about the Closing Date constituting the Income Notes.

"Defaulted Cashflow Swap Collateral" means the securities on deposit in the Defaulted Cashflow Swap Collateral Account which satisfy the Default Swap Collateral Eligibility Criteria.

"Defaulted Cashflow Swap Termination Payments" means any termination payment required to be made by the Issuer to the Cashflow Swap Counterparty pursuant to a Cashflow Swap Agreement in the event of a termination of a Cashflow Swap Agreement in respect of which such Cashflow Swap Counterparty is the sole Defaulted Party or the sole Affected Party (as defined in the Cashflow Swap Agreement), other than with respect to "Negativity" or "Tax Event" (as defined in the Cashflow Swap Agreement).

"Defaulted Obligation" means any Reference Obligation or CDO Security with respect to which:

(i) the issuer thereof has defaulted in the payment of principal or interest without regard to any applicable grace period or waiver; provided, that a Collateral Asset will not constitute a Defaulted Obligation under this clause (i) if (a) the Collateral Manager certifies in writing to the Trustee, in its reasonable business judgment, that such payment default is due to non-credit and non-fluid related reasons and such default does not continue for more than five Business Days (or, if earlier, until the next succeeding Determination Date) or (b) such payment default has been cured by the payment of all amounts that were originally scheduled to have been paid, provided, further, however, that, notwithstanding the foregoing, any Collateral Asset that is in default with respect to the payment of interest or principal as of a Determination Date shall not be a Defaulted Obligation if such default is cured through the payment of all past due interest and principal within three Business Days after such Determination Date (and the Collateral Manager shall determine whether a default has occurred and is continuing on or prior to the second Business Day prior to the Payment Date) or such Collateral Asset shall not be treated as a Defaulted Obligation if the Collateral Manager believes the default on such Collateral Asset will be cured as of the next Determination Date, such Collateral Asset does not have an S&P Rating of "CC" or lower, "D" or "SD" and the Rating Agency Condition has been satisfied relative to such treatment;

Confidential Treatment Requested by Goldman Sachs GS MBS-E-021825518
Footnote Exhibits - Page 5808

(9) the principal amount of such Collateral Asset has been written down;

(10) any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the issuer of such Collateral Asset and is undisputed and undetermined; provided, that, if such proceeding is an involuntary proceeding, the condition of this clause (i) will not be satisfied until the earliest of the following: (I) the issuer consents to such proceeding, (ii) an order for relief under the United States Bankruptcy Code, or any similar order under a proceeding not taking place under the United States Bankruptcy Code, has been entered, and (iii) such proceeding remains undisputed and undetermined for 90 days;

(11) such Collateral Asset has an S&P Rating of "CCC" or lower, "D" or "SD" or, if S&P withdraws its rating and the S&P Rating at the time of withdrawal is "CCC" or below or such Collateral Asset has a Moody's Rating of "C" or lower or "Ca";

(12) in the case of a Synthetic Security, the related Synthetic Security Counterparty is in default pursuant to the terms of such Synthetic Security; or

(13) the Collateral Manager believes that such Collateral Asset will default on or before the next Determination Date.

"Defeated Synthetic Security "Termination Payments" means any termination payment required to be made by the Issuer to the Synthetic Security Counterparty pursuant to a Synthetic Security in the event of a termination of a Synthetic Security in respect of which such Synthetic Security Counterparty is the sole Defaulting Party or the sole Affected Party (as defined in the Synthetic Security), other than with respect to "Illegality" or "Tax Event" (as defined in the Synthetic Security).

"Deferred Interest PIK Bond" means a PIK Bond that (1) has an Actual Rating of "Baa3" or above by Moody's and makes payments less frequently than monthly and has deferred interest in an amount equal to the amount of interest that would accrue over the shorter of two payment periods or one year, or (2) has an Actual Rating of "Ba1" or above by Moody's and makes payments on a monthly basis and has deferred interest in an amount equal to the amount of interest that would accrue over the shorter of (i) one year and (ii) the longer of (A) the number of months between any two consecutive defaults of interest and (B) six months or (3) has an Actual Rating of "Ba3" or below by Moody's and makes payments less frequently than monthly and has deferred interest in an amount equal to the amount of interest that would accrue over the shorter of one payment period or six months, or (4) has an Actual Rating of "B1" or below by Moody's and makes payments on a monthly basis and has deferred interest in an amount equal to the amount of interest that would accrue over three months,

"Deferred Structuring Expense" means a fee payable to the Initial Purchaser in accordance with the Priority of Payments, payable in arrears on each Payment Date, of 0.04% per annum times the Aggregate Principal Amount, measured as of the beginning of the Due Period preceding such Payment Date. The Deferred Structuring Expense will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Definitive Notes" means Notes or Income Notes issued in definitive, fully registered form, registered in the name of the owner thereof.

"Deliverable Obligation" means an obligation which, pursuant to the terms of the Synthetic Security, may be delivered to the Issuer as a result of a Credit Event.

"Delivery Date" means the date on which a Deliverable Obligation is delivered to the Issuer pursuant to the Synthetic Security.

"Distribution Compliance Period" means, with respect to the Notes, the period that ends 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date.

Confidential Treatment Requested by Goldman Sachs
"Double B Calculation Amount" means the sum of the products of (i) the Principal Balance of each Double B Rated Asset and (ii) 99%.

"Double B Rated Asset" means any Collateral Asset that is not a Single B Rated Asset or Triple C Rated Asset with an Actual Rating from S&P less than "BBB" or with an Actual Rating from Moody's less than "Ba3".

"Effective Date" means March 27, 2007.

"Eligible Bidders" are (i) any institutions, which may include affiliates of the Initial Purchaser, the Collateral Manager and Holders of the Notes and the income Notes, whose short-term unsecured debt obligations have a rating of at least "P-1" by Moody's or "A-1+" by S&P and (ii) the Collateral Manager.

"Eligible Depository" shall be a financial institution organized under the laws of the United States or any state thereof, authorized to accept deposits, having a combined capital and surplus of at least U.S.$200,000,000, and having (or if its obligations are guaranteed by its parent company, its parent having), a long term debt rating of at least "Ba1" by Moody's (and if rated "Ba1", such rating is not on watch for downgrade) and "BBB" by S&P and a short term debt rating of "P-1" by Moody's (and not on watch for downgrade) and at least "A-1" by S&P.

"Eligible Guarantor" means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than surety and is directly enforceable by the Issuer, where either (A) a law firm has given a legal opinion confirming that none of the guarantor's payments to Issuer under such guarantee will be subject to withholding for Tax or (B) such guarantee provides that, in the event that any of such guarantor's payments to Issuer are subject to withholding for Tax, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by Issuer (free and clear of any withholding tax) will equal the full amount issuer would have received had no such withholding been required.

"Eligible Investment" means any U.S. Dollar-denominated Investment that, at the time it is delivered to the Trustee, is one or more of the following obligations or securities (including security entitlements with respect thereto): (i) direct Registered obligations of, and Registered obligations fully guaranteed by, the United States or any agency or instrumentality of the United States the obligations of which are expressly backed by the full faith and credit of the United States; (ii) demand and time deposits in, certificates of deposit of, or banker's acceptances issued by, any depository institution or trust company incorporated in the United States or any state thereof, which depository institution or trust company is subject to supervision and examination by federal or state authorities, with a maturity not in excess of 180 days; and with a credit rating by S&P of at least "A-1+" or at least "AA-", as applicable, a credit rating by Moody's of at least "P-1" or at least "Aa3" (and if rated "Aa3", not on watch for downgrade); as applicable, in the case of a maturity in excess of 30 days, or a credit rating by S&P of at least "A-1" and a credit rating by Moody's of at least "P-1" (and not on watch for downgrade) in the case of a maturity of less than 30 days; (iii) repurchase obligations with respect to (A) any security described in clause (i) above or (B) any other security issued or guaranteed by an agency or instrumentality of the United States, entered into with a depository institution or trust company described in clause (i) above or entered into with a corporation whose long-term senior unsecured rating is at least "A1" (and if rated "A1", not on watch for downgrade) by Moody's and "A+" by S&P and whose short-term credit rating is "P-1" (and not on watch for downgrade) by Moody's and "A-1" by S&P at the time of such Investment, with a term not in excess of 91 days; (iv) Registered debt securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States or any state thereof that have a credit rating of at least "Aa3" (and if rated "Aa3", not on watch for downgrade) or "P-1" (and not on watch for downgrade) by Moody's and "A+" or "A-1" by S&P; (v) commercial paper or other short-term obligations of a corporation, partnership, limited liability company or trust, or any branch or agency thereof located in the United States or any of its territories, such commercial paper or other short-term obligations having a credit rating of "P-1" (and not on watch for downgrade) by Moody's and "A-1" by S&P, and that are Registered and either are interest bearing or are sold at a discount from the face amount thereof and

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825520
have a maturity of not more than 91 days from the date of issuance; and (vi) offshore money market funds which have a credit rating of not less than "Aaa/MR1+" by Moody’s and "AAA" or "AAAm" or "AA+M" by S&P, provided however, that each rating in clauses (ii) through (vi) above by Moody's or S&P shall be an Actual Rating and provided further, that any such investment purchased on the basis of S&P’s short-term rating of "A-1" shall mature no later than 30 days after the date of purchase and may not, other than overnight investments from The Bank of New York (as long as The Bank of New York is the Trustee under the Indenture), exceed 20% of the Aggregate Outstanding Amount of the Notes rated by S&P. Eligible investments shall not include any RMBS, CMBS, any inverse floater, any security subject to withholding tax if owned by the issuer, any security subject to an offer, any Interest only security, any principal only security (other than treasury bills or commercial paper), any security with a price in excess of 100% of par or any security the repayment of which is dependent on substantial non-credit related risk as determined by the Collateral Manager or any security the acquisition (including the manner of acquisition), ownership or disposition of which would cause the issuer to be treated as engaged in a trade or business within the United States for United States federal income tax purposes. Each such Eligible Investment shall mature no later than the second Business Day immediately preceding the Payment Date next following the Due Period in which the date of Investment occurs, unless such Eligible Investment is issued by the institution acting as Securities Intermediary, in which event such Eligible Investment may mature on the Business Day preceding such Payment Date. Eligible Investments may include those investments with respect to which the Securities Intermediary, the Trustee, the Collateral Manager or the Initial Purchaser or an affiliate of the Trustee, the Collateral Manager or the Initial Purchaser provides services. As used in this definition, ratings may not include ratings with an "X", "X'", "X", "X'" or "X" subscript.

"Eligible Replacement" means an entity (i) (A) with the Moody's First Trigger Required Ratings or (B) whose present and future obligations owing to it are guaranteed pursuant to an Eligible Guarantee provided by a guarantor with the Moody's First Trigger Required Ratings, subject to satisfaction of the Rating Agency Condition and (ii) that is either a Qualified Purchaser or a person that is not an "U.S. Person" as defined in Regulation S under the Securities Act of 1933.

"Event Amount" means the amount determined in connection with a Credit Event in accordance with the related Synthetic Security.

"Expected Faced Amount" has the meaning set forth in the Master Confirmation.

"Expected Interest Amount" means with respect to any Reference Obligation Payment Date, the amount of interest that would accrue during the related Reference Obligation Calculation Period calculated using the Reference Obligation Coupon on a principal balance of the Reference Obligation equal to the outstanding principal amount taking into account any reductions due to a principal deficiency or realized loss amount (however described in the underlying instruments) that are attributable to the Reference Obligation, and that will be payable on the related Reference Obligation Payment Date assuming for the purpose that sufficient funds are available therefor in accordance with the underlying instruments, calculated in accordance with the related Synthetic Security.

"Expected Principal Amount" means, with respect to the Final Amortization Date or the legal final maturity date of the related Reference Obligation, an amount equal to (i) the Outstanding Principal Amount of the Reference Obligation payable on such day (excluding capitalized interest) assuming for this purpose that sufficient funds are available for such payment, where such amount shall be determined in accordance with the underlying instruments, minus (ii) the sum of (A) the "Aggregate implied Voluntary Amount" (as such term is defined in the related Synthetic Security) (if any) and (B) the net aggregate principal deficiency balance of realized loss amounts (however described in the underlying instruments) that are attributable to the Reference Obligation. For purposes hereof, the Expected Principal Amount shall be determined without regard to the affect of any provisions (however described) of the underlying instruments that permit the limitation of due payments or distributions of funds in accordance with the terms of such Reference Obligation or that provide for the extinguishing or reduction of such payments or distributions.
"Final Amortization Date" means the first to occur of (i) the date on which the Reference Obligation Notional Amount is reduced to zero and (ii) the date on which the assets securing the Reference Obligation or designated to fund amounts due in respect of the Reference Obligation are liquidated, distributed or otherwise disposed of in full and the proceeds thereof are distributed or otherwise disposed of in full.

"Final Payment Date" means a Payment Date with respect to an Optional Redemption by Liquidation, a Payment Date in connection with the Stated Maturity (other than with respect to the Class S Notes), Tax Redemption, an Auction or redemption due to an Event of Default resulting in acceleration of the Notes and liquidation of the Collateral in full.

"Fixed Rate" means the relevant fixed rate (expressed on a per annum basis) set forth in the Master Confirmation, subject to adjustment in accordance with the Master Confirmation.

"Fixed Rate Payment Date" means each date falling six months after the Referenced Rate Payment Date provided, however, that the final Fixed Rate Payment Date shall fall on the 25th Business Day following the Effective Maturity Date (as set forth in the Master Confirmation).

"Floating Amounts" means an amount equal to the sum of (a) the relevant Writeup Amount (if any), (b) the relevant Principal Shortfall Amount (if any), (c) the relevant Interest Shortfall Amount (if any) and (d) the relevant Physical Settlement Amount (if any).

"Floating Amount Event" means with respect to any Synthetic Security, the occurrence of a Writeup, a Failure to Pay Principal or an Interest Shortfall (as each such term is defined in the related Synthetic Security) with respect to the Reference Obligation thereunder.

"Floating Amount Payment" means payment of a Floating Amount.

"Floating Rate Payment Date" means, in relation to a Floating Amount Event, the first Floating Rate Payment Date falling at least two Business Days (or, in the case of a Floating Amount Event that occurs on the Legal Final Maturity Date or the Final Amortization Date, the fifth Business Day) following delivery of a notice by the Calculation Agent to the parties or a notice by Goldman Sachs International to the Synthetic Security Counterparty that the related Floating Amount is due and showing in reasonable detail how such Floating Amount was determined, provided, however, that in the case of a Floating Amount Event that occurs on the Legal Final Maturity Date or the Final Amortization Date, such notice must be given on or prior to the fifth Business Day following the Legal Final Maturity Date or the Final Amortization Date, as applicable.

"Holder" or "Noteholder", means, with respect to any Note the person in whose name such Note is registered, or, for purposes of voting, the granting of consents and other similar determinations under the Indenture, with respect to any Notes in global form, a beneficial owner thereof and, with respect to any Income Note, the person in whose name such Income Note is registered in the income note register of the Issuer.

"Implied Rating" means, in the case of a rating on a Collateral Asset, a rating that is determined by reference to any publicly available, fully monitored rating by another rating agency that, by its terms, addresses the full scope of the payment promise of the obligor. As used in this definition, ratings may not include ratings with a "P", "g", "Q", "R" or "T" subscript or any other qualifiers.

Confidential Treatment Requested by Goldman Sachs
"Implied Widetown Amount" means (a) if the underlying instruments relating to the Reference Obligation do not provide for widetown, applied losses, principal deficiencies or realized losses as described in clause (f) of the definition of "widetown" above in respect of the Reference Obligation, an amount determined by the Synthetic Security Counterparty in its capacity as calculation agent and equal to the excess, if any, of the Implied Widetown Amount for the interest accrual period relating to the current Reference Obligation Payment Date over the Implied Widetown Amount for the immediately preceding interest accrual period and (b) in any other case, zero.

"Income Note Registrar" means The Bank of New York, as Income Note Registrar for the Income Notes.

"Interest Proceeds" means, in respect of any Payment Date, all Investment Income received on the Collateral Assets and Eligible Investments that are on deposit in the Collateral Account and the Fixed Amounts received from the Synthetic Security Counterparty under the Synthetic Securities in the related Due Period.

"Interest Shortfall" means with respect to any Reference Obligation Payment Date and any Reference Obligation, either (a) the nonpayment of an Expected Interest Amount or (b) the payment of an Actual Interest Amount that is less than the Expected Interest Amount, as described in the related Synthetic Security.

"Interest Shortfall Amount" means with respect to any Reference Obligation Payment Date, an amount equal to the greater of (a) zero; and (b) the amount equal to the product of (i) the Expected Interest Amount; minus (ii) the Actual Interest Amount; and (iii) the Applicable Percentage.

"Interest Shortfall Cap" means the cap, if any, on Interest Shortfalls as set forth in the related Master Confirmation.

"Interest Shortfall Cap Amount" means the amount of any Interest Shortfall Cap as set forth in the related Master Confirmation.

"Interest Shortfall Payment Amount" means in respect of an Interest Shortfall, the relevant Interest Shortfall Amount; provided, however, that if the Interest Shortfall Cap is applicable and the Interest Shortfall Amount exceeds the Interest Shortfall Cap Amount, the Interest Shortfall Payment Amount in respect of such Interest Shortfall shall be the Interest Shortfall Cap Amount.

"Interest Shortfall Reimbursement" means with respect to any Reference Obligation Payment Date, the payment by or on behalf of the Reference Entity of an Actual Interest Amount in respect of the Reference Obligation that is greater than the Expected Interest Amount.

"Interest Shortfall Reimbursement Payment" means with respect to any Reference Obligation Payment Date, the product of (a) the amount of any Interest Shortfall Reimbursement on such day and (b) the Applicable Percentage.

"Interest Shortfall Reimbursement Payment Amount" means (a) if Interest Shortfall Reimbursement is not applicable, the amount of Interest Shortfall Reimbursement as called for by the related Synthetic Security; provided, in either case, that the aggregate of all Interest Shortfall Reimbursement Payment Amounts determined for this purpose on the basis that "Interest Shortfall Compounding" is not applicable at any time shall not exceed the aggregate of interest Shortfall Payment Amounts paid by the issuer in respect of Interest Shortfalls occurring prior to the date of payment of any such Additional Fixed Amount.

"Interest Shortfall Reserve Amount" has the meaning set forth in the Master Confirmation.

"Issue" of a Collateral Asset means any such Collateral Asset issued by the same issuer, having the same terms and conditions (as to, among other things, coupon, maturity, security and subordination) and otherwise being fungible with one another.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021625523
"Liquidation Proceeds" means, without duplication, (i) all Sale Proceeds from Collateral Assets and Collateral Swap sold in connection with such redemption minus any termination payments (other than Defaulted Synthetic Security Terminations Payments) due to the Synthetic Security Counterparty or payments due to any assignee of a Synthetic Security from the Default Swap Collateral Account in connection with the termination or assignment of the Synthetic Securities, (ii) the aggregate amount received by the Issuer net of any amounts required to be paid by the Issuer on or prior to the Business Day immediately preceding the relevant Payment Date from the termination of any Cashflow Swap Agreement in connection with such redemption, and (iii) cash and Eligible Investments on deposit in the Accounts, to the extent available therefor, including any amounts designated by the Collateral Manager as retained for reinvestment in Eligible Investments (and also including any payments received under any Cashflow Swap Agreement on or prior to the day preceding the Payment Date, but only to the extent that such payments are required to be paid as a result of an Optional Redemption by Liquidation or Tax Redemption of Notes), in each case as determined by the Collateral Manager.

"Majority" means (a) with respect to any Class or Classes of Notes, the Holders of more than 50% of the Aggregate Outstanding Amount of such Class or Classes of Notes and (b) with respect to the Income Notes, the Holders of more than 50% of the notional principal amount of Income Notes.

"Market Value" means, with respect to the Collateral Assets and/or Eligible Investments, (i) the average of three bona fide bids for such Collateral Asset or Eligible Investment obtained by the Collateral Manager at such time from any three nationally recognized dealers, which dealers are independent from one another and from the Collateral Manager, or (ii) if the Collateral Manager is unable to obtain three such bids, the lesser of two bona fide bids for such Collateral Asset or Eligible Investment obtained by the Collateral Manager at such time from any two nationally recognized dealers acceptable to the Collateral Manager, which dealers are independent from one another and from the Collateral Manager, or (iii) the event the Collateral Manager is unable to obtain two such bids, the price on such date provided to the Collateral Manager by an independent pricing service reasonably selected by the Collateral Manager, or (iv) in the event the Collateral Manager cannot, in good faith, determine the market value of such Collateral Asset or Eligible Investment using commercially reasonable efforts to apply the methods specified in clauses (i) through (iii) above, determined in good faith by the Collateral Manager using commercially reasonable efforts to apply its reasonable business judgment. If the method of determining Market Value is based solely on the Collateral Manager's determination, such Market Value shall not exceed the SAP Recovery Rate, multiplied by the Principal Balance of the Collateral Asset and/or Eligible Investment, and shall be considered zero after 30 days or until such time as the Collateral Manager obtains a bid for such Collateral Asset or Eligible Investment.

For purposes of clause (iii) of the definition of Calculation Amount, "Market Value" means the sum of (i) the notional amount of any such Synthetic Security and (ii) the "Market Value" (which represents a trading termination payment or upfront payment in respect of a termination or assignment of such Synthetic Security and which amount, if payable by the Issuer in respect of such termination or assignment, will be a negative number) of such Synthetic Security otherwise determined pursuant to this definition of Market Value.

"Minimum Bid Amount" is an amount equal to the sum of (a) the Redemption Price with respect to the Auction Payment Date, (b) any amount payable by the Issuer to the Cashflow Swap Counterparty upon termination of the Cashflow Swap Agreement less any amounts payable by the Cashflow Swap Counterparty to the Issuer upon the termination of the Cashflow Swap Agreement, (c) unpaid Defaulted Synthetic Security Terminations Payments, (d) accrued and unpaid Collateral Management Fees, (e) accrued and unpaid Deferred Structuring Expenses and (f) 101% of all unpaid expenses of the Issuer, less amounts on deposit in the Accounts which are available to redeem the Notes or pay amounts provided in clauses (b) through (e) above which would not include amounts on deposit in the Default Swap Collateral Account due to the Synthetic Security Counterparty or any assignee of a Synthetic Security including termination payments (other than Defaulted Synthetic Security Terminations Payments).

"Moody's First Rating Trigger Requirement" shall apply so long as no relevant entity has the Moody's First Trigger Required rating.
"Moody's First Trigger Required Ratings" shall apply to an entity if such entity has a long-term, unrated and unrated debt or counterparty obligation rating of "Aa3" (and not on watch for downgrade) or below by Moody's.

"Moody's 15% "Cumulative Expected Loss Rate" as defined in Schedule G to the Indenture.

"Moody's Rating" means the rating determined in accordance with the methodology described in the Indenture.

"Moody's Recovery Rate" means, with respect to a Collateral Asset (or in the case of a Synthetic Security, the related Reference Obligation), the percentage of the Aggregate Principal Amount that is expected to be recovered by holders of such Collateral Asset (or Reference Obligation) in a hypothetical bankruptcy proceeding.

"Moody's Second Trigger Required Ratings" means an entity that has a Moody's Second Trigger Required Rating.

"Moody's Second Trigger Required Ratings" means an entity that has a Moody's Second Trigger Required Rating or if such an entity has a long-term, unrated and unrated debt or counterparty obligation rating of "Aa3" (and not on watch for downgrade) or below by Moody's; the Moody's Second Trigger Required Ratings shall apply as long as no Relevant Entity has the Moody's Second Trigger Required Ratings.

"Not Outstanding Portfolio Collateral Balance" means, on any Determination Date, the aggregate Principal Balance of all Principal Proceeds held as cash and Eligible Investments purchased with Principal Proceeds, minus (A) the aggregate Principal Balance of all Eligible Investments as of such date, minus (A) the aggregate Principal Balance of all Eligible Investments as of such date, minus (B) the aggregate Principal Balance of all Eligible Investments as of such date, minus (B) the aggregate Principal Balance of all Eligible Investments as of such date, minus (C) the aggregate Principal Balance of all Eligible Investments as of such date, minus (C) the aggregate Principal Balance of all Eligible Investments as of such date, minus (D) the aggregate Principal Balance of all Eligible Investments as of such date, minus (D) the aggregate Principal Balance of all Eligible Investments as of such date, minus (E) the aggregate Principal Balance of all Eligible Investments as of such date, minus (E) the aggregate Principal Balance of all Eligible Investments as of such date, minus (F) the aggregate Principal Balance of all Eligible Investments as of such date, minus (F) the aggregate Principal Balance of all Eligible Investments as of such date, minus (G) the aggregate Principal Balance of all Eligible Investments as of such date, minus (G) the aggregate Principal Balance of all Eligible Investments as of such date, minus (H) the aggregate Principal Balance of all Eligible Investments as of such date, minus (H) the aggregate Principal Balance of all Eligible Investments as of such date, minus (I) the aggregate Principal Balance of all Eligible Investments as of such date, minus (I) the aggregate Principal Balance of all Eligible Investments as of such date, minus (J) the aggregate Principal Balance of all Eligible Investments as of such date, minus (J) the aggregate Principal Balance of all Eligible Investments as of such date, minus (K) the aggregate Principal Balance of all Eligible Investments as of such date, minus (K) the aggregate Principal Balance of all Eligible Investments as of such date, minus (L) the aggregate Principal Balance of all Eligible Investments as of such date, minus (L) the aggregate Principal Balance of all Eligible Investments as of such date, minus (M) the aggregate Principal Balance of all Eligible Investments as of such date, minus (M) the aggregate Principal Balance of all Eligible Investments as of such date, minus (N) the aggregate Principal Balance of all Eligible Investments as of such date, minus (N) the aggregate Principal Balance of all Eligible Investments as of such date, minus (O) the aggregate Principal Balance of all Eligible Investments as of such date, minus (O) the aggregate Principal Balance of all Eligible Investments as of such date, minus (P) the aggregate Principal Balance of all Eligible Investments as of such date, minus (P) the aggregate Principal Balance of all Eligible Investments as of such date, minus (Q) the aggregate Principal Balance of all Eligible Investments as of such date, minus (Q) the aggregate Principal Balance of all Eligible Investments as of such date, minus (R) the aggregate Principal Balance of all Eligible Investments as of such date, minus (R) the aggregate Principal Balance of all Eligible Investments as of such date, minus (S) the aggregate Principal Balance of all Eligible Investments as of such date, minus (S) the aggregate Principal Balance of all Eligible Investments as of such date, minus (T) the aggregate Principal Balance of all Eligible Investments as of such date, minus (T) the aggregate Principal Balance of all Eligible Investments as of such date, minus (U) the aggregate Principal Balance of all Eligible Investments as of such date, minus (U) the aggregate Principal Balance of all Eligible Investments as of such date, minus (V) the aggregate Principal Balance of all Eligible Investments as of such date, minus (V) the aggregate Principal Balance of all Eligible Investments as of such date, minus (W) the aggregate Principal Balance of all Eligible Investments as of such date, minus (W) the aggregate Principal Balance of all Eligible Investments as of such date, minus (X) the aggregate Principal Balance of all Eligible Investments as of such date, minus (X) the aggregate Principal Balance of all Eligible Investments as of such date, minus (Y) the aggregate Principal Balance of all Eligible Investments as of such date, minus (Y) the aggregate Principal Balance of all Eligible Investments as of such date, minus (Z) the aggregate Principal Balance of all Eligible Investments as of such date, minus (Z) the aggregate Principal Balance of all Eligible Investments as of such date.

"Outstanding Principal Amount" means, as of any date of determination with respect to the Reference Obligation, the outstanding principal balance of the Reference Obligation as of such date, which shall take into account:

(i) all payments of principal;

(ii) all write-downs or write-offs (however described in the underlying instruments as set forth in the Master Confirmation or otherwise) classified as a reduction in the outstanding principal balance of the Reference Obligation (other than as a result of a scheduled or unscheduled reduction in the payment of principal);

(iii) forgiveness of any amount by the holders of the Reference Obligation pursuant to an amendment to the underlying instruments resulting in a reduction in the outstanding principal balance of the Reference Obligation;

(iv) any payments reducing the amount of any reductions described in (ii) and (iii) of this definition; and
(v) any increase in the outstanding principal balance of the Reference Obligation that reflects a reversal of any prior reductions described in (i) and (ii) of this definition.

For the avoidance of doubt, the Outstanding Principal Amount shall not include any portion of the outstanding principal balance of the Reference Obligation that is attributable to the deferral or capitalization of interest during the Term (as set forth in the Credit Derivatives Definitions) of the Component Transaction (as set forth in the Master Confirmation).

"Overcollateralization Ratio" means the Class A All Overcollateralization Ratio, the Class A Adjusted Overcollateralization Ratio, the Class B Adjusted Overcollateralization Ratio, the Class C Overcollateralization Ratio, the Class C Adjusted Overcollateralization Ratio, the Class D Overcollateralization Ratio and the Class D Adjusted Overcollateralization Ratio.

"Payment Date" means the third day of every March, June, September and December, or if any such date is not a Business Day, the immediately following Business Day, commencing on September 4, 2007.

"Payment Requirement" means the amount specified as such, in U.S. Dollars, in the related Master Confirmation.

"Physical Settlement Amount" means, following the occurrence of a Credit Event with respect to a Reference Obligation, an amount paid by the Issuer to the Synthetic Security Counterparty, calculated in accordance with the related Synthetic Security and paid on the related Physical Settlement Date, in exchange for the delivery of a Reference Obligation as a Deliverable Obligation by the Synthetic Security Counterparty to the Issuer.

"Physical Settlement Date" has the meaning set forth in the Master Confirmation.

"PK Bond" means a Collateral Asset on which the deferral of interest does not constitute an event of default pursuant to the terms of the related indenture or other underlying instruments.

"Principal Balance" means, with respect to any Collateral Asset or Eligible Investment, as of any date of determination, the outstanding principal amount of such Collateral Asset or Eligible Investment, subject to the following exceptions: (i) the Principal Balance of a Collateral Asset received upon acceptance of an offer to exchange a Collateral Asset for such Collateral Asset shall be deemed to be the percentage of the outstanding principal amount equal to the least of (a) the Moody's Recovery Rate and (b) the S&P Recovery Rate for such Collateral Asset until such time as Proceeds are first received when due with respect to such Collateral Asset; (ii) the Principal Balance of each Defaulted Obligation shall be deemed to be zero, except (A) for purposes of the calculation of the Coverage Tests, in which case, the Principal Balance of Defaulted Obligations shall equal their respective outstanding principal amount (unless otherwise indicated in such tests), (B) for purposes of calculating any trustee fees and the Collateral Management Fee, the Principal Balance of each Defaulted Obligation shall equal the Collateral Asset Amount for such Defaulted Obligation and (C) as otherwise expressly indicated; (iii) the Principal Balance of any cash shall be the amount of such cash; (iv) the Principal Balance of any Collateral Assets and any Eligible Investments in which the Trustee does not have a perfected security interest shall be deemed to be zero; (v) the Principal Balance of any Collateral Asset that is an equity security shall be deemed to be zero; (vi) the Principal Balance of a Synthetic Security shall be the Reference Obligation Net Amount of such Synthetic Security minus any implied Writeoff Amounts; and (vii) the Principal Balance of any Default Swap Collateral shall be deemed to be zero as long as the related Synthetic Security is outstanding.

"Principal Proceeds" means, with respect to any Due Period, the sum (without duplication) of: (i) all payments of principal on the Collateral Assets and Eligible Investments received in cash by the Issuer during such Due Period (including, without duplication, principal payments received on any Default Swap Collateral released from the list of the Synthetic Security Counterparty), prepayments or mandatory
sinking fund payments, or payments in respect of optional redemptions, exchange offers, tender offers (other than payments of principal of Eligible Investments acquired with Proceeds other than Principal Proceeds) and recoveries and interest on Defaulted Obligations up to the par amount of such Defaulted Obligation; (i) any termination payments received from a Synthetic Security Counterparty; (ii) any Additional Fixed Amounts (other than interest Shortfall Reimbursement Payment Amounts in respect of Interest Shortfall Payments satisfied by offsetting Fixed Payments) received from a Synthetic Security Counterparty; (iv) Sale Proceeds received by the Issuer during such Due Period (excluding accrued interest on sold or disposed Collateral Assets or Eligible Investments); (v) all amendment, waiver, late payment fees, restructuring and other fees and commissions collected during the related Due Period in respect of Defaulted Obligations up to the par amount; (vi) any proceeds resulting from the termination, replacement and liquidation of any Cashflow Swap Agreement to the extent such proceeds exceed the cost of entering into a replacement Cashflow Swap Agreement received during the period commencing on the day after the first Payment Date following the commencement of such Due Period (or the Closing Date, in the case of the first Due Period) and ending on and including the first Payment Date following the end of such Due Period; (vii) all payments received in cash by the Issuer during such Due Period that represent call, prepayment or redemption premiums but not in excess of the purchase premium paid thereon and (viii) any Proceeds other than Interest Proceeds provided, however, that Principal Proceeds shall not include any accrued interest or any funds from the Income Note Payment Account and any Exceptional Property.

"Principal Shortfall Amount" means, in respect of a Failure to Pay Principal, an amount equal to the greater of: (i) zero; and (ii) the amount equal to the product of: (A) the Expected Principal Amount minus the Actual Principal Amount; (B) the Applicable Percentage; and (C) the Reference Price. For purposes of clause (i) of the preceding sentence, if the Principal Shortfall Amount would be greater than the Reference Obligation Notional Amount immediately prior to the occurrence of such Failure to Pay Principal, then the Principal Shortfall Amount shall be deemed to equal the Reference Obligation Notional Amount at such time.

"Principal Shortfall Reimbursement" means, with respect to any day, the payment by or on behalf of the Reference Entity of an amount in respect of the Reference Obligation in or toward the satisfaction of any deferment or failure to pay principal arising from one or more prior occurrences of a Failure to Pay Principal.

"Principal Shortfall Reimbursement Payment" means, with respect to any day, the product of (i) the amount of any Principal Shortfall Reimbursement on such day; (ii) the Applicable Percentage and (iii) the Reference Price.

"Principal Shortfall Reimbursement Payment Amount" means, as of any date of determination, the sum of the Principal Shortfall Reimbursement Amounts in respect of all Principal Shortfall Reimbursements (if any) made during the Reference Obligation Calculation Period relating to such date, provided that the aggregate of all Principal Shortfall Reimbursement Payment Amounts at any time shall not exceed the aggregate of all Floating Amounts paid by the Issuer in respect of occurrences of Failure to Pay Principal prior to such date.

"Proceeds" means, with respect to any Due Period, without duplication, (i) all amounts received by the Trustee with respect to the Collateral Assets (excluding principal payments received on any related Default Swap Collateral on deposit in the Default Swap Collateral Account unless otherwise provided in the Indenture but including all investment income on Default Swap Collateral), (ii) all amounts received as amendment, waiver, late payment fees and commissions collected during the Due Period on Collateral Assets, (iii) all amounts received with respect to Eligible Investments in the Accounts, (iv) any amounts to be released or withdrawn on the related Payment Date from the Expense Reserve Account and (v) all amounts received under any Cashflow Swap Agreement relating to the Due Period, including Principal Proceeds.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825527
"Quarterly Asset Amount" means, with respect to any Payment Date, the Aggregate Principal
Amount on the first day of the related Due Period.

"Rating Agency Condition" means, with respect to any action taken or to be taken under the
Transaction Documents, a condition that is satisfied when each Rating Agency has confirmed in writing to
the Issuer and the Collateral Manager that such action will not result in the immediate withdrawal,
redaction or other adverse action with respect to any then-current rating of any Class of Notes or the
Income Notes.

"Redemption Date" means any Tax Redemption Date or Optional Redemption Date.

"Redemption Price" is the Class S-1 Note Redemption Price, the Class S-2 Note Redemption
Price, the Class A-1a Note Redemption Price, the Class A-1b Note Redemption Price, the Class A-1c
Note Redemption Price, the Class A-1d Note Redemption Price, the Class A-2 Note Redemption Price,
the Class B Note Redemption Price, the Class C Note Redemption Price and the Class D Note
Redemption Price, as applicable.

"Reference Entity" means the issuer of, or the obligor on, a Reference Obligation.

"Reference Obligation" means a CDO Security referenced under the Synthetic Security.

"Reference Obligation Calculation Period" means, with respect to each Reference Obligation
Payment Date, a period corresponding to the interest accrual period relating to such Reference Obligation
Payment Date pursuant to its "Underlying Instruments", as defined in accordance with the Master
Confirmation. For the avoidance of doubt, the first Reference Obligation Calculation Period shall begin on
the Reference Obligation Payment Date falling on or immediately prior to the Closing Date.

"Reference Obligation Coupon" means the periodic interest rate applied in relation to each
Reference Obligation Calculation Period on the related Reference Obligation Payment Date, as
determined in accordance with the terms of the underlying Instruments as at the Closing Date, without
regard to any subsequent amendment.

"Reference Obligation Notional Amount" means, with respect to each Synthetic Security, the
notional amount specified therein, which will be reduced or increased pursuant to the terms of such
Synthetic Security.

"Reference Obligation Payment Date" means (i) each scheduled distribution date a Reference
Obligation occurring on or after the Closing Date and on or prior to such Reference Obligation’s "Legal
Final Maturity Date" (as set forth in the Synthetic Security), determined in accordance with the Underlying
Instruments and (ii) any day after such Reference Obligation’s "Effective Maturity Date" (as set forth in the
Master Confirmation) on which a payment is made in respect of such Reference Obligation.

"Reference Obligation Principal Amortization Amount" means, with respect to any Reference
Obligation Payment Date, the amount equal to the product of (i) the amount of any Reference Obligation
Principal Payment on such date and (ii) the Applicable Percentage.

"Reference Obligation Principal Payment" means, with respect to any Reference Obligation
Payment Date, the occurrence of a payment of an amount to the holders of the Reference Obligation in
respect of principal (scheduled or unscheduled) in respect of the Reference Obligation other than a
payment in respect of principal representing capitalized interest, excluding, for the avoidance of doubt,
any Wadadown Reimbursement or Interest Shortfall Reimbursement.

"Reference Obligation" means the obligor on a Reference Obligation.

"Reference Price" means the reference price (expressed as a percentage) specified in the related
Synthetic Security.
“Registered” means, with respect to any debt obligation or debt security, a debt obligation or debt security that is issued after July 18, 1994, and that is in registered form within the meaning of Section 881(c)(2)(B)(i) of the Code and the Treasury regulations promulgated thereunder. 

“Relevant Amount” means with respect to the related Reference Obligation, if a servicer report that describes a Reference Obligation Principal Payment, Wtihdrawn or Withdrawn Reimbursement (other than a Withdrawn Reimbursement within paragraph (l) of “Withdrawn Reimbursement”), in each case that has the effect of decreasing or increasing the interest accruing principal balance of such Reference Obligation as of a date prior to a Delivery Date but such servicer report is delivered to holders of such Reference Obligation or to the calculation agent under the related Synthetic Security on or after the related Delivery Date, an amount equal to the product of (i) the sum of any such Reference Obligation Principal Payment (expressed as a positive amount), Withdrawn (expressed as a positive amount) or Withdrawn Reimbursement (expressed as a negative amount), as applicable; (ii) the Reference Price; (iii) the Applicable Percentage immediately prior to such Delivery Date; and (iv) the Exercised Percentage (as defined in such Master Confirmation). 

“Residential Mortgage-Backed Securities” or “RMBS” means securities that represent interests in pools of residential mortgage loans secured by 1 to 4 family residential mortgage loans. 

“S&P Rating” means the rating determined in accordance with the methodology described in the Indenture. 

“S&P Recovery Rate” means, with respect to a Collateral Asset (or in the case of a Synthetic Security, the related Reference Obligation) on any Determination Date, an amount equal to the percentage for such Collateral Asset set forth in the S&P Recovery Rate Matrix attached as Part II of Schedule G to the Indenture in (a) the applicable table set forth therein and (b) the row in such table opposite the S&P Rating (determined in accordance with procedures prescribed by S&P for such Collateral Asset on the date of its purchase by the Issuer or, in the case of a Defaulted Obligation, the S&P Rating immediately prior to default). 

“Sale Proceeds” means all amounts representing Proceeds (including accrued interest) from the sale or other disposition of any Collateral Asset or Eligible Investment received during each Due Period, net of any reasonable amounts expended by the Collateral Manager or the Trustee in connection with such sale or other disposition. 

“Single B Calculation Amount” means the sum of the products of (i) the Principal Balance of each Single B Rated Asset and (ii) 70%. 

“Single B Rated Asset” means any Collateral Asset, that is not a Triple C Rated Asset, with an Actual Rating from S&P less than “BB” or with an Actual Rating from Moody’s less than “B3”. 

“Statistical Loss Amount” means, as of any Determination Date, the sum of, for each Collateral Asset, the product of (i) the Principal Balance of such Collateral Asset and (ii) the Moody’s Expected Loss Rate set forth in the Indenture for such Collateral Asset. For purposes of the calculation of the Statistical Loss Amount on any Determination Date with respect to Single B Rated Assets, Defaulted Interest PFR Bonds, Double B Rated Assets, Triple C Rated Assets, Defaulted Obligations and the principal amount of any Collateral Assets expected to be paid in full after the December 2007 Payment Date, the principal amount thereof expected to be paid after the Payment Date related to such Determination Date shall be excluded. 

“SuperMajority” means (a) with respect to any Class of Notes, the Holders of more than 65-2/3% of the Aggregate Outstanding Amount of such Class of Notes and (b) with respect to the Income Notes, more than 65-2/3% of the aggregate outstanding notional principal amount of the Income Notes. 

“Synthetic Security” means the credit default swaps entered into by the Issuer and Goldman Sachs International on March 21, 2007, effective as of the Closing Date, evidenced by an ISDA Master Agreement (Multicurrency Cross Border) and the Master Confirmation.
"Synthetic Security Counterparty" means Goldman Sachs International and, if Goldman Sachs International is no longer the Synthetic Security Counterparty, any entity required to make payments on a Synthetic Security pursuant to the terms of such Synthetic Security or any guarantee thereof.

"Synthetic Security Termination Payment" means any termination or assignment payment required to be paid by the issuer in the event of a termination or assignment of the Synthetic Securities.

"Tax Event" means (i) the adoption of, or a change in, any tax statute (including the Code), treaty, regulation (whether temporary or final), rule, ruling, practice, procedure or judicial decision or interpretation which results or will result in withholding tax payments representing in excess of 3% of the aggregate interest due and payable on the Collateral Assets during the Due Period in which such event occurs as a result of the imposition of U.S. or other withholding tax with respect to which the obligors are not required to make gross-up payments that cover the full amount of such withholding taxes or an after-tax base or (ii) the adoption of, or change in, any tax statute (including the Code), treaty, regulation (whether temporary or final), rule, ruling, practice, procedure or judicial decision or interpretation which results or will result in taxation of the issuer’s net income in an amount equal to 3% or more of the net income of the issuer during any Due Period in which such event occurs.

"Total Redemption Amount" means the sum of all amounts due as of the Redemption Date pursuant to clauses (i) through (ix) of the Priority of Payments for Final Payment Dates.

"Treasury" means the United States Department of the Treasury.

"Triple C Calculation Amount" means the sum of the products of (i) the Principal Balance of each Triple C Rated Asset and (ii) 50%.

"Triple C Rated Asset" means any Collateral Asset (other than a Defaulted Obligation) with an Actual Rating from S&P of less than "BB" or with an Actual Rating from Moody’s of less than "B3".

"Withdrawal Amount" means, with respect to any day, the product of (i) the amount of any Withdrawal on such day, (ii) the Applicable Percentage and (iii) the Reference Price.

"Withdrawal Reimbursement" means, with respect to any day, the occurrence of: (i) a payment by or on behalf of the Reference Entity of an amount in respect of the Reference Obligation in reduction of any prior Withdrawal; (ii) an increase by or on behalf of the Reference Entity of the outstanding principal amount of the Reference Obligation to reflect the reversal of any prior Withdrawals; or (iii) a decrease in the principal deficiency balance or realized loss amounts (however described in the underlying instruments) attributable to the Reference Obligation; or (iv) if "Implied Withdrawal" (as defined in the related Synthetic Security) is applicable and the underlying instruments do not provide for withdrawals, applied losses, principal deficiencies or realized losses as described in (ii) above to occur in respect of the Reference Obligation, an "Implied Withdrawal Reimbursement Amount" (as defined in the related Synthetic Security) being determined in respect of the Reference Obligation by the calculation agent thereunder.

"Withdrawal Reimbursement Amount" means, with respect to any day, an amount equal to the product of: (i) the sum of all Withdrawal Reimbursements on that day; (ii) the Applicable Percentage; and (iii) the Reference Price.

"Withdrawal Reimbursement Payment Amount" means, with respect to any date of determination, the sum of the Withdrawal Reimbursement Amounts in respect of all Withdrawal Reimbursements (if any) made during the Reference Obligation Calculation Period relating to such date; provided that the aggregate of all Withdrawal Reimbursement Payment Amounts at any time shall not exceed the aggregate of all Floating Amounts paid by the issuer in respect of Withdrawals occurring prior to such date.

"Withdrawal Reserve Amount" has the meaning set forth in the Master Confirmation.

A-18

Confidential Treatment Requested by Goldman Sachs GS MBS-E-021825530
<table>
<thead>
<tr>
<th>Collected Asset Descriptions and Transaction Summary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidential Treatment Requested by Goldman Sachs</td>
<td></td>
</tr>
<tr>
<td>GS MBS-E-02182553</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Name</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------</td>
</tr>
<tr>
<td>01/01/2023</td>
<td>John Doe</td>
</tr>
<tr>
<td>02/02/2023</td>
<td>Jane Smith</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-02125533
Footnote Exhibits - Page 5624

ANNEX A-1

FORM OF INCOME NOTES PURCHASE AND TRANSFER LETTER

The Bank of New York, London Branch
One Canada Square
London E14 4AL
United Kingdom
phone +44 20 7964 7073
Attention: Corporate Trust Administration

Re: Timberwolf I, Ltd.
Income Notes

Dear Sirs:

Reference is hereby made to the Income Notes (the “Income Notes”) issued by Timberwolf I, Ltd. (the “Issuer”), described in the Issuer’s Offering Circular dated March 23, 2007 (“Offering Circular”) to be purchased and held by us. We (the “Purchaser”) are purchasing U.S. $[ ] aggregate notional amount of Income Notes (the “Purchaser’s Income Notes”). Terms defined or referenced in the Offering Circular and not otherwise defined or referenced herein shall have the meanings set forth in the Offering Circular.

The Purchaser hereby represents, warrants and covenants for the benefit of the Issuer that:

(a) (i) The Purchaser is (check one) (x) a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”)) (a “Qualified Institutional Buyer”); (y) a non-U.S. Person (as defined in Regulation S under the Securities Act) that is acquiring the Purchaser’s Income Notes in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S of the Securities Act or (z) an “accredited investor” (as defined in Rule 501(a) under the Securities Act) (an “Accredited Investor”) who has a net worth of not less than U.S.$10 million that is purchasing the Income Notes for its own account; (ii) The Purchaser, in the case of clauses (x) or (y) above, is a “qualified purchaser” for the purposes of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) (a “Qualified Purchaser”); (iii) The Purchaser, in the case of clause (z) above, is not acquiring the Income Notes with a view to or within one year of distribution thereof, other than in accordance with the restrictions set forth below; (iv) The Purchaser is aware that the sale of the Purchaser’s Income Notes to the Issuer is being made in reliance on an exemption from registration under the Securities Act; (v) The Purchaser (unless otherwise permitted under the Fiduciary Agency Agreement) is acquiring Income Notes in the aggregate notional principal amount of not less than U.S.$100,000 with integral multiples of U.S.$1 in excess thereof; (vi) With respect to any transferees, the Purchaser also understands that, in conjunction with any transfer of the Purchaser’s ownership of any Purchaser’s Income Notes purchased hereunder, it will not transfer or cause the transfer of such Purchaser’s Income Notes without obtaining from the transferee a certificate substantially in the form of this Income Notes Purchase and Transfer Letter; (vii) The Purchaser will provide notice of the transfer restrictions described to any subsequent transferees.

(b) The Purchaser is purchasing the Purchaser’s Income Notes in an amount equal to or exceeding the minimum denominations thereof for its own account or, if the Purchaser is a Qualified Institutional Buyer, for the account of another Qualified Institutional Buyer with respect to which the Purchaser exercises sole investment discretion for investment purposes only and not for sale in connection with any distribution thereof, but nevertheless subject to the understanding that the
disposition of its property shall at all times be and remain within its control (subject to the restrictions set forth in the Offering Circular, the note in respect of the Purchaser's income Notes and the Fiscal Agency Agreement).

(c) The Purchaser understands that the Purchaser's Income Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, are being offered only in a transaction not involving any public offering, and may be reoffered, resold or pledged or otherwise transferred only in accordance with the restrictions on transfer set forth herein and in the Fiscal Agency Agreement. The Purchaser understands and agrees that any purported transfer of Income Notes to a purchaser that does not comply with the requirements herein will not be permitted or registered by the Fiscal Agent. The Purchaser further understands that the Issuer has the right to compel any beneficial owner of Income Notes that is a U.S. Person and is not (i) a Qualified Institutional Buyer or an Accredited Investor with a net worth of U.S.$10 million or more and (ii) a Qualified Purchaser, to sell its interest in such Income Notes, or the Issuer may sell such Income Notes on behalf of such owner.

(d) If the Purchaser or any account for which the Purchaser is purchasing the Purchaser's Income Notes is a U.S. Person (as defined in Regulation S under the Securities Act) the following representations shall be true and correct: The Purchaser (or if the Purchaser is acquiring the Purchaser's Income Notes as principal for its own account for investment and not for resale in connection with any distribution thereof) (a) is not a broker-dealer that owns and invests in a discretionary account less than U.S.$25,000,000 in securities of unaffiliated issuers. Further, the Purchaser agrees: (i) that neither it nor such account shall be the sole beneficial owner thereof for all purposes; and (ii) that neither it nor such account shall sell participation interests in the Purchaser's Income Notes or enter into any arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Purchaser's Income Notes. The Purchaser understands and agrees that any purported transfer of the Purchaser's Income Notes to a purchaser that does not comply with the requirements of this clause (d) will not be permitted or registered by the Fiscal Agent or the Income Note Registrar, as applicable.

(e) In connection with the purchase of the Purchaser's Income Notes: (i) none of the Issuers, the Initial Purchaser, the Collateral Manager, the Issuer Administrator, or the Income Note Registrar is acting as a fiduciary or financial or investment adviser for the Purchaser; (ii) the Purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuers, the Initial Purchaser, the Collateral Manager, the Issuer Administrator, or the Income Note Registrar, other than in the Offering Circular and any representations expressly set forth in a written agreement with such party; (iii) none of the Issuers, the Initial Purchaser, any Cashflow Swap Counterparty, the Collateral Manager, the Administrator or the Income Note Registrar has given to the Purchaser (directly or indirectly through any other person) any assurance, guarantees, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to any investment in the Purchaser's Income Notes; (iv) the Purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding

Confidential Treatment Requested by Goldman Sachs GS MBS-E-021825536
the suitability of any transaction pursuant to the Indenture and the Fiscal Agency Agreement based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Initial Purchaser, any Credit Enhancer, the Collateral Manager, the Issuer Administrator or the Income Note Register. (v) the Purchaser has evaluated the risks, prices or amounts and other terms and conditions of the purchase and sale of the Purchaser's Income Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming (financially and otherwise) those risks; and (vi) the Purchaser is an experienced investor.

(1) The certificates in respect of the Income Notes (other than the Regulation S Income Notes) will bear a legend to the following effect unless the Issuer determines otherwise in compliance with the Fiscal Agency Agreement and applicable law:


THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE INCOME NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH INCOME NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(i) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (B) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION, (C) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (D) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 902 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN EACH CASE IN A MINIMUM DENOMINATION OF U.S.$100,000. FURTHERMORE THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (A)(i) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (I) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(a)(7) OF THE INVESTMENT COMPANY ACT, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (III) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (IV) IS NOT A BROKER-DEALER THAT ODDS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (V) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE

A-1-3

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825537
INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE FISCAL AGENT OR THE INCOME NOTES REGISTRAR. EACH TRANSFEROR OF THE INCOME NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE.


THE PURCHASER OR TRANSFEREE MUST DISCLOSE IN WRITING IN ADVANCE TO THE FISCAL AGENT (/) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR (C) AN ENTITY Whose ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"), (I) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR, THAT THE PURCHASE AND HOLDING OR TRANSFER AND HOLDING OF INCOME Notes DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE, AND (II) WHETHER OR NOT IT IS THE COLLATERAL MANAGER OR ANY OTHER PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 26 C.F.R. SECTION 2610.3-101.3) OF ANY SUCH PERSON, IF A PURCHASER IS AN ENTITY DESCRIBED IN (X) ABOVE, OR AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT, IT WILL BE PERMITTED TO SO INSTRUCT, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF ITS ASSETS OR THE ASSETS IN ITS GENERAL ACCOUNT, AS APPLICABLE, THAT MAY BE OR BECOME PLAN ASSETS, IN WHICH CASE SUCH MAXIMUM PERCENTAGE Shall NOT BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREES THAT, BEFORE ANY INTEREST IN AN INCOME NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE FISCAL AGENT WITH AN INCOME NOTES PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR. NO PURCHASE OR TRANSFER OF INCOME NOTES

Confidential Treatment Requested by Goldman Sachs
WILL BE PERMITTED OR REGISTERED TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING INCOME NOTES (OTHER THAN THE INCOME NOTES OWNED BY THE COLLATERAL MANAGER, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH SECTION 302 OF ERISA, 29 C.F.R. SECTION 2510.3-101 AND THE FISCAL AGENCY AGREEMENT).

PAYMENTS TO THE HOLDERS OF THE INCOME NOTES ARE SUBORDINATE TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE NOTES OF THE ISSUER AND THE PAYMENT OF CERTAIN OTHER AmountS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE FISCAL AGENCY AGREEMENT.

(g) The certificate in respect of the Regulation S Income Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with the Fiscal Agency Agreement and applicable law:


THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE INCOME NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH INCOME NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL PURCHASER, IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (B) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (X) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN EACH CASE IN A MINIMUM DENOMINATION OF U.S.$100,000. FURTHERMORE, THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (A) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (A) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(b)(7) OF THE INVESTMENT COMPANY ACT, (B) HAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021625539
CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1968, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPlicable, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE effected WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE FISCAL AGENT OR THE INCOME NOTE REGISTRAR. EACH TRANSFEROR OF THE INCOME NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE.

THE TRANSFEREE OF THIS SECURITY WILL BE DEEMED TO HAVE REPRESENTED THAT THE TRANSFEREE IS NOT A U.S. PERSON.

THE PURCHASER OR TRANSFEREE OF THIS INCOME NOTE IS DEEMED TO REPRESENT (1) THAT IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); AND (D) THAT IT IS NOT THE COLLATERAL MANAGER OR ANY OTHER PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(2)(3)) OF ANY SUCH PERSON. NO PURCHASE OR TRANSFER OF INCOME NOTES WILL BE PERMITTED OR REGISTERED TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING INCOME NOTES (OTHER THAN THE INCOME NOTES OWNED BY THE COLLATERAL MANAGER, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH SECTION 3(42) OF ERISA, 29 C.F.R. SECTION 2510.3-101 AND THE FISCAL AGENCY AGREEMENT).

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS INCOME NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL. SINCE THE REGISTERED OWNER HEREOF, Cede & Co., HAS AN INTEREST HEREIN, UNLESS THIS INCOME NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY INCOME NOTE ISSUED IS REGISTERED IN THE NAME OF Cede & Co. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREOF IS MADE TO Cede & Co.).

TRANSFERS OF THIS INCOME NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR "HEREOF" OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825540
OF THIS INCOME NOTE SHALL BE LIMITED TO TRANSFERS MADE
IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE FISCAL AGENCY
AGREEMENT.

PAYMENTS TO THE HOLDERS OF THE INCOME NOTES ARE SUBORDINATE TO
THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON
THE NOTES OF THE ISSUERS AND THE PAYMENT OF CERTAIN OTHER
AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

With respect to Income Notes (other than Regulation S Income Notes) transferred or purchased
on or after the Closing Date, the Purchaser understands and agrees that the representations
and agreements made in this paragraph (b) will be deemed made on each day from the date hereof
through and including the date on which the Purchaser disposes of the Income Notes (other than
the Regulation S Income Notes).

(c) The Purchaser is ______ is not _____ [check one] (i) an “employee benefit plan” (as defined in Section
3(3) of the United States Employee Retirement Income Security Act of 1974, as amended
(“ERISA”), that is subject to the provisions of Title I of ERISA, (ii) a “plan” described in and
subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the
“Code”), or (iii) an entity whose underlying assets include assets of any such plan (for purposes
of ERISA or Section 4975 of the Code) by reason of any such plan’s investment in the entity
(such persons and entities described in clauses (i) through (iii) being referred to herein as
“Benefit Plan Investors”); and (y) if the Purchaser is a Benefit Plan Investor, the Purchaser’s
purchase and holding of an Income Note do not and will not constitute or result in a prohibited
transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is
not available.

The Purchaser is ______ is not _____ [check one] the issuer or any other person (other than a
Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the
issuer, a person who provides investment advice for a fee (direct or indirect) with respect to
the assets of the issuer, or any “affiliate” (within the meaning of 29 C.F.R. Section 2510.3-101(b)(3))
of any such person (any such person described in this paragraph being referred to as a
“Controlling Person”).

If the Purchaser is a Benefit Plan Investor described in (c) above, or an insurance company
acting on behalf of its general account, [check if true], then (i) not more than ____% [complete
by entering a percentage], (ii) the “Maximum Percentage” of the assets of the issuer or the assets of
such general account, as applicable, constitutes assets of Benefit Plan Investors for purposes of
Section 3(42) and the “plan assets” regulations under ERISA, and (ii) without limiting the
remedies that may otherwise be available, the Purchaser agrees that it shall (x) immediately
notify the Issuer if the Maximum Percentage is exceeded, and (y) dispose of all or a portion of its
Income Notes as may be instructed by the Issuer (including, in the discretion of the Issuer, a
disposition back to the Issuer or an affiliate thereof (or person designated by the Issuer) for
the then value of the Income Notes as reasonably determined by the Issuer. In any case in which
the Purchaser cannot otherwise make a disposition it has been instructed by the Issuer to make).

The Purchaser understands and acknowledges that neither the Fiscal Agent nor the Income Note
Register will register any purchase or transfer of Income Notes unless to a proposed initial
purchaser or to a proposed subsequent transferee of Income Notes that has, in either case,
represented that it is a Benefit Plan Investor or a Controlling Person if, after giving effect to such
proposed transfer, persons that have represented that they are Benefit Plan Investors would own
25% or more of the outstanding Income Notes. For purposes of this determination, Income Notes
held by the Collateral Manager, the Trustee, any of their respective affiliates and persons that
have represented that they are Controlling Persons will be disregarded and will not be treated as
outstanding. The Purchaser understands and agrees that any purported purchase or transfer of
the Purchaser’s Income Notes to a Purchaser that does not comply with the requirements of this
clause (h) will not be permitted or registered by the Fiscal Agent or the Income Note Registrar.
(i) The Purchaser is not purchasing the Purchaser’s Income Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The Purchaser understands that an investment in the Purchaser’s Income Notes involves certain risks, including the risk of loss of its entire investment in the Purchaser’s Income Notes under certain circumstances. The Purchaser has had access to such financial and other information concerning the Issuer and the Purchaser’s Income Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to the purchase of the Purchaser’s Income Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(ii) If the purchaser or beneficial owner is a Non-U.S. Holder, such purchaser or beneficial owner represents that (a) either (i) its purchase of the Income Note is not, directly or indirectly, an extension of credit made by a bank pursuant to a loan agreement entered into in the ordinary course of its trade or business, or (ii) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates United States federal income taxation of United States source interest not attributable to a permanent establishment in the United States or (iii) all income from the Income Note is effectively connected with a trade or business within the United States (as such terms are used in Section 862(a)(1) of the Code) conducted by such Holder and (y) it is not purchasing the Income Note in order to reduce its United States federal income tax liability or pursuant to a tax avoidance plan.

(iii) The Purchaser agrees to treat the Purchaser’s Income Notes as equity in the Issuer for United States federal, state and local income tax purposes.

(iv) The Purchaser acknowledges that due to money laundering requirements operating in the Cayman Islands, the Issuer and the Fiscal Agent may require further identification of the Purchaser before the purchase application can proceed. The Issuer and the Fiscal Agent shall be held harmless and indemnified by the Purchaser against any loss arising from the failure to process the application if such information as has been required from the Purchaser has not been provided by the Purchaser.

(v) The Purchaser agrees to complete any other instrument of transfer as required under Cayman Islands law.

(vi) The Purchaser is not a member of the public in the Cayman Islands.

(vii) The purchaser agrees not to treat the Issuer as being engaged in the active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

(viii) The purchaser agrees to timely furnish the Issuer or its agents any U.S. federal income tax form or certification (such as IRS Form W-4BEN (Certification of Foreign Status), Form W-8MY (Certification of Foreign Intermediary Status), Form W-8B (Request for Taxpayer Identification Number and Certification) or Form W-4ECI (Certification of Foreign Person’s Claim for Exemption from Withholding on Income Effectively Connected with Conduct of a U.S. Trade or Business) or any successor to such IRS forms) that the Issuer or its agents may reasonably request and to update or replace such form or certification in accordance with its terms or its subsequent amendments.

(ix) The purchaser agrees to timely furnish the Issuer, upon request, with such information as may reasonably be requested by the Issuer (including but not limited to information relating to the beneficial owner of the Note) in connection with the Issuer’s fulfillment of its tax reporting, notification, withholding and similar obligations arising under the Code (as amended from time to time) or the Transaction Documents.

(x) The purchaser agrees to treat the Issuer as a non-U.S. corporation for purposes of U.S. federal income, state and local income and franchise tax and any other income taxes.

A-1-8

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825542
We acknowledge that you and other persons will rely upon our confirmation, acknowledgments, representations, warranties, covenants and agreements set forth herein, and we hereby irrevocably authorize you and such other persons to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021625543
THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Very truly yours,

[Signature]

Name: 
Title:

Receipt acknowledged as of date set forth above,

(Signature and Address)

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-021825544
Footnote Exhibits - Page 6534

ANNEX A-2

FORM OF CLASS D NOTES PURCHASE AND TRANSFER LETTER

The Bank of New York
101 Barclay Street, 6th Floor East
New York, New York 10286
Attention: CDO Transaction Management Group – Timewart I. Ltd.

Re: Timewart I, Ltd.
Class D Notes

Dear Sirs:

Reference is hereby made to the Class D Notes (the “Class D Notes”) issued by Timewart I, Ltd. (the “Issuer”), described in the Issuer’s Offering Circular dated March 23, 2007 (“Offering Circular”) to be purchased and held by us. We (the “Purchaser”) are purchasing U.S. $____ Class D Notes (the “Purchaser’s Class D Notes”). Terms defined or referenced in the Offering Circular and not otherwise defined or referenced herein shall have the meanings set forth in the Offering Circular.

The Purchaser hereby represents, warrants and covenants for the benefit of the Issuer that:

(a) (i) The Purchaser is (check one) (x) a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”)) (a “Qualified Institutional Buyer”) or (y) a non-U.S. Person (as defined in Regulation S under the Securities Act) that is acquiring the Purchaser’s Class D Notes in an offshore transaction complying with Rule 902 of Rule 904 of Regulation S of the Securities Act; (ii) The Purchaser, in the case of clauses (x) above, is a “qualified purchaser” for the purpose of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) (a “Qualified Purchaser”); (iii) The Purchaser is aware that the sale of the Purchaser’s Class D Notes to the Purchaser is being made in reliance on an exemption from registration under the Securities Act; (iv) The Purchaser is acquiring not less than U.S.$300,000 of Purchased Notes; (v) With respect to any transfer, the Purchaser also understands that, in conjunction with any transfer of the Purchaser’s ownership of any Purchaser’s Class D Notes purchased hereunder, it will not transfer or cause the transfer of such Purchaser’s Class D Notes without obtaining from the transferee a certificate substantially in the form of this Class D Notes Purchase and Transfer Letter; (vi) The Purchaser will provide notice of the transfer restrictions described to any subsequent transferees.

(b) The Purchaser is purchasing the Purchaser’s Class D Notes in an amount equal to or exceeding the minimum permitted amount thereof for its own account (or, if the Purchaser is a Qualified Institutional Buyer, for the account of another Qualified Institutional Buyer with respect to which the Purchaser exercises sole investment discretion) for investment purposes only and not for resale in connection with any distribution thereof, but nevertheless subject to the understanding that the disposition of its property shall at all times be and remain within its control (subject to the restrictions set forth in the Offering Circular and the Indenture).

(c) The Purchaser understands that the Purchaser’s Class D Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and are being offered only in a transaction not involving any public offering, and may be reoffered, resold or pledged or otherwise transferred

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825545
only in accordance with the restrictions on transfer set forth herein and in the Indenture. The 
Purchaser understands and agrees that any purported transfer of Class D Notes to a purchaser 
that does not comply with the requirements herein will not be permitted or registered by the Note 
Transfer Agent. The Purchaser further understands that the Issuer has the right to compel any 
beneficial owner of Class D Notes that is a U.S. Person and is not (a) either a Qualified 
Institutional Buyer and (b) a Qualified Purchaser, to sell its interest in such Class D Notes, or the 
Issuer may sell such Class D Notes on behalf of such owner.

(d) If the Purchaser or any account for which the Purchaser is purchasing the Purchaser's Class D 
Notes is a U.S. Person (as defined in Regulation S under the Securities Act) the following 
representations shall be true and correct: The Purchaser (or if the Purchaser is acquiring the 
Purchaser’s Class D Notes for any account, each such account) is acquiring the Purchaser’s 
Class D Notes as principal for its own account for investment and not for sale in connection with 
any distribution thereof. The Purchaser and each such account: (a) was not formed for the 
specific purpose of investing in the Class D Notes (except when each beneficial owner of the 
Purchaser and each such account is a Qualified Purchaser), (b) to the extent the Purchaser is a 
private investment company formed before April 30, 1996, the Purchaser has received the 
necessary consent from its beneficial owners, (c) is not a pension, profit sharing or other 
retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, 
may designate the particular investment to be made; and (d) is not a broker-dealer that owns 
and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated 
issuers. Further, the Purchaser agrees: (i) that neither it nor such account shall hold the 
Purchaser's Class D Notes for the benefit of any other person and such purchaser of such 
account shall be the sole beneficial owner thereof for all purposes; and (ii) that neither it nor such 
account shall sell participation interests in the Purchaser's Class D Notes or enter into any other 
arrangement pursuant to which any other person shall be entitled to a beneficial interest in the 
distributions on the Purchaser’s Class D Notes. The Purchaser understands and agrees that any 
purported transfer of the Purchaser’s Class D Notes to a Purchaser that does not comply with 
the requirements of this clause (d) will not be permitted or registered by the Note Transfer Agent.

(e) In connection with the purchase of the Purchaser’s Class D Notes: (i) none of the Issuers, the 
Initial Purchaser, the Collateral Manager or the Administrator is acting as a fiduciary or financial 
or investment adviser for the Purchaser; (ii) the Purchaser is not relying (for purposes of making 
any investment decision or otherwise) upon any advice, counsel or representations (whether 
written or oral) of the Issuers, the Initial Purchaser, the Collateral Manager or the Administrator 
other than in the Offering Circular and any representations expressly set forth in an agreement 
with such party; (iii) none of the Issuers, the Initial Purchaser, the Cashflow Swap Counterparty, 
the Collateral Manager or the Administrator has given to the Purchaser (directly or 
indirectly through any other person) any assurance, guarantee, or representation whatsoever as 
to the expected or projected success, profitability, return, performance, result, effect, 
consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to 
an investment in the Purchaser's Class D Notes; (iv) the Purchaser has consulted with its own 
legal, regulatory, tax, business, investment, financial and accounting advisors to the extent 
the Purchaser has deemed necessary, and it has made its own investment decisions (including decisions regarding 
the suitability of any transaction pursuant to the Indenture) based upon its own judgment and 
on any advice from such advisors as it has deemed necessary and not upon any view 
expressed by the Issuers, the Initial Purchaser, the Cashflow Swap Counterparty, the Collateral 
Manager or the Administrator; (v) the Purchaser has evaluated the risks, prices or amounts and 
other terms and conditions of the purchase and sale of the Purchaser’s Class D Notes with a full 
understanding of all of the risks thereof (economic and otherwise); and (vi) it is capable of 
assessing and willing to assume (financially and otherwise) those risks; and (v) the Purchaser is a 
sophisticated investor.

(f) The certificates in respect of the Class D Notes (other than the Regulation S Class D Notes) will 
bear a legend to the following effect unless the Issuer determines otherwise in compliance with 
the Indenture and applicable law:

A-2-2

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825546
THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE INITIAL PURCHASER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (A)(1)(ii) OF RULE 144A OR A TRUST FUNDED REFERRED TO IN PARAGRAPH (A)(1)(ii)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) TO A NON U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN U.S.$250,000 OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN U.S.$100,000, FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (2), (Y) IS A QUALIFIED PURCHASER FOR PURPOSES OF SECTION 3(a)(11) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASSER IS A QUALIFIED PURCHASER), (Y) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (2) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR RECOGNIZED BY THE NOTE TRANSFER AGENT. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREES.

IF THE TRANSFER OF CLASS D NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE CLASS D NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE NOTE TRANSFER AGENT A CLASS D NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE, STATING THAT AMONG OTHER THINGS,
THE TRANSFEREE IS (1) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER AND (2) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

THE PURCHASER OR TRANSFEREE OF THIS NOTE MUST DISCLOSE IN WRITING IN ADVANCE TO THE TRUSTEE (I) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); (II) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR, THAT THE PURCHASE AND HOLDING OR TRANSFER AND HOLDING OF CLASS D NOTES DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE; AND (III) WHETHER OR NOT IT IS THE COLLATERAL MANAGER OR ANY OTHER PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(c)(3)) OF ANY SUCH PERSON. IF A PURCHASER IS AN ENTITY AS DESCRIBED IN (II) ABOVE, OR AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT, IT WILL BE PERMITTED TO SO INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF ITS ASSETS OR THE ASSETS IN ITS GENERAL ACCOUNT, AS APPLICABLE, THAT MAY BE OR BECOME PLAN ASSETS, IN WHICH CASE IT WILL BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREED THAT, BEFORE ANY INTEREST IN A CLASS D NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE NOTE TRANSFER AGENT WITH A CLASS D NOTES PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR. NO PURCHASE OR TRANSFER OF CLASS D NOTES WILL BE PERMITTED OR REGISTERED TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING CLASS D NOTES (OTHER THAN THE CLASS D NOTES OWNED BY THE COLLATERAL MANAGER, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH SECTION 3(4) OF ERISA, 29 C.F.R. SECTION 2510.3-101 AND THE INDENTURE).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.
A-2-5

Confidential Treatment Requested by Goldman Sachs GS MBS-E-021825549
(as defined herein), any transfer in violation of the foregoing will be of no force and effect, will be null and void as to said and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the issuers, the note transfer agent or any intermediary, each transferee of this note will provide notice of the transfer restrictions set forth herein and in the indenture to its transferee. in addition to the foregoing, the issuers have the right, under the indenture (as defined herein), to compel any beneficial owner of an interest in a rule 144a global note (as defined in the indenture) that is a U.S. person and is not both a qualified purchaser and a qualified institutional buyer to sell its interest in the notes, or may sell such interests on behalf of such owner.

The purchaser or transferee of a class D note is deemed to represent to the note transfer agent (i) that it is not (A) an "employee benefit plan" (as defined in section 3(3) of ERISA), (B) subject to the provisions of title I of ERISA, (C) a "plan" described in and subject to section 4975 of the code, or (D) an entity whose assets include "plan assets" within the meaning of ERISA by reason of any plan's investment in the entity (all such persons and entities described in clauses (A) through (D) being referred to herein as "benefit plan investors"); and (ii) that it is not the collateral manager or any other person (other than a benefit plan investor) who has discretionary authority or control with respect to the assets of the issuer or a person who provides investment advice for a fee (direct or indirect) with respect to the assets of the issuer, or any "affiliate" (within the meaning of 29 C.F.R. section 2510.3-101(b)(3)) of any such person. no purchase or transfer of class D notes will be permitted or registered to the extent that the purchase or transfer would result in benefit plan investors owning 25% or more of the outstanding class D notes (other than the class D notes owned by the collateral manager, the trustee and their affiliates) immediately after such purchase or transfer (determined in accordance with section 3(4) of ERISA, 29 C.F.R. section 2510.3-101 and the indenture).

any transfer, pledge or other use of this note for value or otherwise (or to any person) is wrongful since the registered owner hereof, cede & co., has an interest herein, unless this note is presented by an authorized representative of the depository trust company (tdcc), new york, new york, to the issuer or their agent for registration of transfer, exchange or payment and any note issued is registered in the name of cede & co. or of such other entity as is requested by an authorized representative of dtc (and any payment hereon is made to cede & co.).

transfers of this note shall be limited to transfers in whole, but not in part, to nominees of dtc or to a successor thereof or such successor's nominee and transfers of

A2-8

Confidential Treatment Requested by Goldman Sachs
PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE NOTE PAYING AGENT.

THE FOLLOWING INFORMATION IS PROVIDED PURSUANT TO UNITED STATES TREASURY REGULATION SECTION 1.1275-3(d). THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE HOLDER OF THIS NOTE MAY OBTAIN THE INFORMATION DESCRIBED IN UNITED STATES TREASURY REGULATION SECTION 1.1275-3(d)(1)(i) FROM THE ADMINISTRATOR, AT THE FOLLOWING ADDRESS: P.O. BOX 1283 GT, GRAND CAYMAN, CAYMAN ISLANDS.

(h) With respect to Class D Notes (other than the Regulation S Class D Notes) transferred or purchased on or after the Closing Date, the Purchaser understands and agrees that the representations and agreements made in this paragraph (h) will be deemed made on each day from the date hereof through and including the date on which the Purchaser disposes of the Class D Notes (other than the Regulation S Class D Notes).

(i) The Purchaser is not (check one) (i) an "employee benefit plan" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA")), that is subject to the provisions of Title I of ERISA, (ii) a "plan" described in and subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "Code"), or (iii) an entity whose underlying assets include assets of any such plan (for purposes of ERISA or Section 4975 of the Code) by reason of any such plan's investment in the entity (such persons and entities described in clauses (i) through (iii) being referred to herein as "Benefit Plan Investors"), and (ii) if the Purchaser is a Benefit Plan Investor, the Purchaser's purchase and holding of a Class D Note do not and will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of an employee benefit plan not subject to ERISA or Section 4975 of the Code, any federal, state, local or foreign law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code) for which an exemption is not available.

The Purchaser is not (check one) (i) the issuer or any other person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the issuer, a person who provides investment advice for a fee (direct or indirect) with respect to the assets of the issuer, or any "affiliate" (within the meaning of 29 C.F.R. Section 2510.3-101(3)(iii)) of any such person (any such person described in this paragraph being referred to as a "Controlling Person").

If the Purchaser is a Benefit Plan Investor described in (ii) above, or an insurance company (or any insurance company acting on behalf of its general account) (check if true), then (i) not more than 6% (rounded to the nearest percentage, (the "Maximum Percentage") of its assets of the assets of such general account, as applicable, constitutes assets of Benefit Plan Investors for purposes of Section 3(2) of ERISA and the "plan assets" regulations under ERISA, and (ii) without limiting the remedies that may otherwise be available, the Purchaser agrees that it shall (x) immediately notify the Issuer if the Maximum Percentage is exceeded, and (y) dispose of all or a portion of its Class D Notes as may be instructed by the Issuer (including, in the discretion of the Issuer, a disposition back to the Issuer or an affiliate thereof or other person designated by the Issuer) for the then value of the Class D Notes as reasonably determined by the Issuer, in any case in which the Purchaser cannot otherwise make a disposition it has been instructed by the Issuer to make).

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825551
Footnote Exhibits - Page 5641

(i) The Purchaser understands and acknowledges that the Trustee will not register any purchase or transfer of Class D Notes either to a proposed initial purchaser or to a proposed subsequent transferee of Class D Notes that has, in either case, represented that it is a Benefit Plan Investor or a Controlling Person if, after giving effect to such proposed transfer, persons that have represented that they are Benefit Plan Investors would own 25% or more of the outstanding Class D Notes. For purposes of this determination, Class D Notes held by the Collateral Manager, the Trustee, any of their respective affiliates and persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding. The Purchaser understands and agrees that any purported purchase or transfer of the Purchaser’s Class D Notes to a Purchaser that does not comply with the requirements of this clause (i) will not be permitted or registered by the Note Transfer Agent.

(ii) The purchaser is not purchasing the Purchaser’s Class D Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The Purchaser understands that an investment in the Purchaser’s Class D Notes involves certain risks, including the risk of loss of its entire investment in the Purchaser’s Class D Notes under certain circumstances. The Purchaser has had access to such financial and other information concerning the Issuer and the Purchaser’s Class D Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Purchaser’s Class D Notes, including an opportunity to ask questions of, and receive information from, the Issuer.

(k) If the purchaser or beneficial owner is a Non-U.S. Holder, such purchaser or beneficial owner represents that (x) either (i) its purchase of the Class D Note is not, directly or indirectly, an extension of credit made by a bank pursuant to a bank agreement entered into in the ordinary course of its trade or business, (ii) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates United States federal income taxation of United States source interest not attributable to a permanent establishment in the United States or (iii) all income from the Class D Note is effectively connected with a trade or business within the United States (as such terms are used in Section 883(a)(1) of the Code) conducted by such Holder and (y) it is not purchasing the Class D Note in order to reduce its United States federal income tax liability or pursuant to a tax avoidance plan.

(l) The Purchaser agrees to treat the Purchaser’s Class D Notes as debt for U.S. federal income tax purposes.

(m) The Purchaser acknowledges that due to money laundering requirements operating in the Cayman Islands, the Issuer and Note Transfer Agent may require further identification of the Purchaser before the purchase application can proceed. The Issuer and the Note Transfer Agent shall be held harmless and indemnified by the Purchaser against any loss arising from the failure to process the application if such information as has been required from the Purchaser has not been provided by the Purchaser.

(n) The Purchaser agrees to complete any other instrument of transfer as required under Cayman Islands law.

(c) The Purchaser is not a member of the public in the Cayman Islands.

We acknowledge that you and other persons will rely upon our confirmation, acknowledgments, representations, warranties, covenants and agreements set forth herein, and we hereby irrevocably authorize you and such other persons to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

A-2-9

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825552
This letter shall be governed by, and construed in accordance with, the laws of the State of New York.

Very truly yours,

[ ]

By: __________________________

Name: ________________________

Title: _________________________

Receipt acknowledged as of date set forth above.

[Signature and Address]

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825553
Form ADV
Uniform Application for Investment Adviser Registration

Part II - Footnote

Name of Investment Adviser:
Graywolf Capital Management LP

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Item</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Advisory Services and Fees</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Types of Clients</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Types of Investments</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Methods of Analysis, Sources of Information and Investment Strategies</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Education and Business Standards</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Education and Business Background</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>Other Business Activities</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>Other Financial Industry Activities or Affiliations</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td>Participation or Interest in Client Transactions</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>Conditions for Managing Accounts</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Review of Accounts</td>
<td>5</td>
</tr>
<tr>
<td>12</td>
<td>Investment or Brokerage Discretion</td>
<td>6</td>
</tr>
<tr>
<td>13</td>
<td>Additional Compensation</td>
<td>6</td>
</tr>
<tr>
<td>14</td>
<td>Balance Sheet</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Continuation Sheet</td>
<td>Schedule F</td>
</tr>
<tr>
<td></td>
<td>Balance Sheet, if required</td>
<td>Schedule G</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs
GS MBS-E-021625557
### Footnote Exhibits - Page 5647

<table>
<thead>
<tr>
<th>FORM ADV</th>
<th>Part B - Page 2</th>
<th>Filer Name: Goldman Sachs</th>
<th>SEC File Number: 066052</th>
<th>Date: March 12, 2007</th>
</tr>
</thead>
</table>

1. A. Advisory Services and Fees (check the applicable boxes)  
   For each type of service provided, state the approximate % of total advisory billings from that service.  
   (See instructions below.)

   - [ ] Provides investment advisory services.  
   - [ ] Manages investment advisory accounts not involving investment advisory services.  
   - [ ] Furnishes investment advice through consultations not included in other service described above.  
   - [ ] Issues periodicals about securities by subscription.  
   - [ ] Issues special reports about securities not included in any service described above.  
   - [ ] Issues, as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities.  
   - [ ] On more than an occasional basis, furnishes advice to clients on matters not involving securities.  
   - [ ] Provides a timing service.  
   - [ ] Furnishes advice about securities in any manner not described above.  
   (Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimate of advisory billings for that year and state that the percentages are estimates.)

2. B. Does applicant sell any of the services it checked above financial planning or some similar term?  
   Yes [ ] No [ ]

3. C. Applicant offers investment advisory services for (check all that apply)  
   - [ ] A percentage of assets under management  
   - [ ] Subscription fees  
   - [ ] Hourly charges  
   - [ ] Commissions  
   - [ ] Fixed fees (not including subscription fees)  
   - [ ] Other  

4. D. For each checked box in A above, describe on Schedule F:  
   - [ ] the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee  
   - [ ] any other basis for schedule, how fees are charged and whether fees are negotiable  
   - [ ] any compensation is payable, and if compensation is payable before service is provided, how a client may get a refund if service is not received as specified in investment advisory contract before expiration date

5. E. Types of Clients - Applicant generally provides investment advice to (check those that apply)  
   - [ ] Individuals  
   - [ ] Trustees, estates, or charitable organizations  
   - [ ] Banks or thrift institutions  
   - [ ] Corporations or business entities other than those listed above  
   - [ ] Investment companies  
   - [ ] Other (describe on Schedule F)
### Footnote Exhibits - Page 5648

<table>
<thead>
<tr>
<th>FORM ADV</th>
<th>Applicant:</th>
<th>SEC File Number:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part II - Page 2</td>
<td>GreatWest Capital Management LP</td>
<td></td>
<td>March 12, 2007</td>
</tr>
</tbody>
</table>

#### 1. Types of Investments, Applicant offers advice on the following: (check those that apply)

- **A. Equity Securities**
  - (1) exchange-listed securities
  - (2) securities traded over-the-counter
  - (3) foreign issuers

- **B. Warrants**
  - Future contracts on:

- **C. Corporate debt securities**
  - (1) long-term
  - (2) short-term

- **D. Commercial paper**

- **E. Certificates of deposit**

- **F. Municipal securities**
  - (1) real estate
  - (2) oil and gas interests
  - (3) other (explain on Schedule F)

- **G. Investment company securities:**
  - (1) variable life insurance
  - (2) variable annuities
  - (3) mutual fund shares

- **H. Urban United States government securities**

- **I. Options contracts on:**
  - (1) securities
  - (2) commodities

- **J. Futures contracts on:**

- **K. Interest in partnerships (investing in):**

#### 4. Methods of Analysis, Sources of Information, and Investment Strategies

- **A. Applicant's security analysis methods include:** (check those that apply)
  - (1) **Charting**
  - (2) **Fundamental**
  - (3) **Technical**
  - (4) **Cyclical**
  - (5) **Other (explain on Schedule F)**

- **B. The main sources of information applicant uses include:** (check those that apply)
  - (1) **Financial newspapers and magazines**
  - (2) **Inspections of corporate activities**
  - (3) **Research materials prepared by others**
  - (4) **Corporate rating services**
  - (5) **Other (explain on Schedule F)**

- **C. The investment strategies used to implement any investment advice given to clients include:** (check those that apply)
  - (1) **Long term purchases (securities held at least a year)**
  - (2) **Short term purchases (securities sold within a year)**
  - (3) **Trading (securities sold within 30 days)**
  - (4) **Other (explain on Schedule F)**

---

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825559
<table>
<thead>
<tr>
<th>Form ADV</th>
<th>Applicant</th>
<th>Regulatory Capital</th>
<th>Management LP</th>
<th>SEC File Number</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part II - Page 4</td>
<td>General</td>
<td>Capital</td>
<td>Management</td>
<td>154098</td>
<td>March 15, 2007</td>
</tr>
</tbody>
</table>

5. Education and Business Standards.

Are there any general standards of education or business experience that the applicant requires of those involved in determining or giving investment advice to clients? Yes ______ No ______

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients,
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, request only for their supervisors),
- each principal executive officer of the applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name:
- formal education after high school:
- year of birth:
- business background for the preceding five years:

7. Other Business Activities. (Check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of the applicant or its principal executive officer involves something other than providing investment advice.

(For each checked box, describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (Check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator, or commodity trading advisor.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is:
  - (1) broker-dealer
  - (2) investment company
  - (3) other investment advisor
  - (4) financial planning firm
  - (5) commodity pool operator, commodity trading advisor, or futures commission merchant
  - (6) banking or thrift institution
  - (7) accounting firm
  - (8) law firm
  - (9) insurance company or agency
  - (10) pension consultant
  - (11) real estate broker or dealer
  - (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a partner in any partnership in which clients are solicited to invest? Yes ______ No ______

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all boxes. Complete expanded pages to left, circle expanded items and file with continuation page (page 15).
Footnote Exhibits - Page 5650

<table>
<thead>
<tr>
<th>FORM ADV</th>
<th>Part II - Page 5</th>
<th>Adviser: Cremo Capital Management LP</th>
<th>SEC File Number: 811-45959</th>
<th>Date: March 12, 2007</th>
</tr>
</thead>
</table>

5. Participation or Interest in Client Transactions:
   - Applicant or a related person: check those that apply
   - A. As principal, buys securities for itself or sells securities it owns to any client.  
   - B. As broker or agent effects securities transactions for compensation for any client.  
   - C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.  
   - D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.  
   - E. Buys or sells for itself securities that it also recommends to clients.  

   (For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used to maintain conflicts of interests in these transactions.)

6. Conditions for Managing Accounts: Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly named services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account?  

   Yes  No  

(If yes, describe on Schedule F.)

11. Number of Accounts: If applicant provides investment advisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly named services:
   - A. Describe the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

   See Schedule F.

   B. Describe the nature and frequency of regular reports to clients on their accounts.

   See Schedule F.
<table>
<thead>
<tr>
<th>FORM ADV</th>
<th>Applicants</th>
<th>SIC File Number</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part B</td>
<td>Greywolf Capital Management LP</td>
<td>B66052</td>
<td>March 13, 2007</td>
</tr>
</tbody>
</table>

### 12. Investment or Brokerage Discretion:
- **A.** Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
  1. (1) securities to be bought or sold? Yes  
     No
  2. (2) amount of the securities to be bought or sold? Yes  
     No
  3. (3) broker or dealer to be used? Yes  
     No
  4. (4) commission rate paid? Yes  
     No

- **B.** Does applicant or a related person suggest brokers to clients? Yes  
  No

For each yes answer to A describe on Schedule F any limitations or the authority. For each yes to A(3) or C(e) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of the commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtained from other brokers in return for those products and services
- whether research is used to serve all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

### 13. Additional Compensation
- **A.** Does the applicant or a related person have any arrangements, oral or in writing, where it:
  1. Is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? Yes  
     No
  2. Directly or indirectly compensates any person for client referrals? Yes  
     No

- **B.** (For each yes, describe the arrangements on Schedule F.)

### 14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicable:
- fee custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires payment of more than $500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? Yes  
No

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825562
Footnote Exhibits - Page 5652

<table>
<thead>
<tr>
<th>Item of Form</th>
<th>Item 1</th>
</tr>
</thead>
</table>

Introduction

Greywolf Capital Management LP ("GCM") provides investment management services to private pooled investment vehicles that are offered to investors on a private placement basis. In connection with providing these investment management services, GCM and its affiliates have discretionary trading authority with respect to Greywolf Capital Partners II LP ("GCP II"), Greywolf High Yield Partners II LP ("GHYP II"), Greywolf High Yield Partners Fund I LP ("GHYP I"), Greywolf Capital Overseas Fund I LP ("GCOF I"), Greywolf High Yield Overseas Fund I ("GHOVF I"), Greywolf High Yield Master Fund I ("GHMF I"), Greywolf Structured Products Fund Officers Ltd. ("GSPFO"), and Greywolf Structured Products Master Fund ("GSPFM") and Greywolf CCLO I, Ltd. ("GCCLO I") (collectively, the "Funds") and each individually as a "Fund". Additional detailed information about GCM (and such affiliates) is provided below, including information about GCM's advisory services, investment approach, personnel, affiliations and brokerage practices.

Additional Services

GCM serves as the management company in the GCP II and GHYP II and serves as the general partner to GSPFO I, each a private investment fund organized under the laws of the State of Delaware. Greywolf Advisors LLC ("GAD" or the "General Partner") is a Delaware limited liability company affiliated with GCM, serves as the general partner to GCP II and GHYP II. The interests in GCP II, GHYP II and GSPFO I are offered on a private placement basis, and in reliance on Section 4(2) of the Investment Company Act of 1940, as amended (the "Company Act") and are offered to persons who are "accredited investors" as defined under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified purchasers" as defined under the Company Act and the regulations thereunder, and subject to certain other conditions, which are set forth in the offering documents for each respective fund.

GCM also serves as the investment manager to GOCOF, GHYO, GYHM, GSPFO I, and GSPFM, each a private investment fund organized under the laws of the Cayman Islands. GHYP II and GYHM have substantially all of their capital in the GHYP II, GSPFO I and GSPFM. Shares in the GOCOF, GHYO and GSPFO I are offered on a private placement basis, and with respect to U.S. tax-exempt investors, in reliance on Section 3(b)(1) of the Company Act and Section 3(c)(7) of the Securities Act of the Company Act. Shares are offered to persons who are either not "U.S. persons" (as such term is defined in Regulation S of the Securities Act) or U.S. tax-exempt investors. U.S. tax-exempt investors in GOCOF must be "accredited investors" as defined in Regulation D under the Securities Act. U.S. tax-exempt investors in Greywolf GHYO and GSPFO I must be (i) "accredited investors" as defined in Regulation D under the Securities Act and (ii) "qualified purchasers" as defined in the Company Act and the regulations thereunder. Additionally, investors in GSPFO I, GHYO and GSPFO I are subject to certain other conditions, which are set forth in the respective offering documents of each respective fund.

GCM also serves as collateral manager of the portfolio of collateral, consisting primarily of loans, held by GCCLO I, a special purpose vehicle organized under the laws of the Cayman Islands. The second notes and subordinated securities issued by GCCLO I are offered on a private placement basis and in reliance on Section 3(b)(1) of the Company Act. The second notes are offered in the United States to persons who are "qualified institutional buyers" as defined in Rule 144A under the Securities Act and "qualified purchasers" as defined in the Company Act and the regulations thereunder. The subordinated securities are offered in the United States to persons who either (i) "qualified institutional buyers" as defined in Rule 144A under the Securities Act or "accredited investors" as defined in Regulation D under the Securities Act and (ii) "qualified purchasers" as defined in the Company Act and the regulations thereunder or "knowledgeable employees" within the meaning of Rule 3c-5 of the Company Act. The second notes and the subordinated securities are offered and sold outside the United States to persons who are not "U.S. persons" (as such term is defined in Regulation S of the Securities Act). Additionally, investors in GCCLO I are subject to certain other conditions, which are set forth in the offering documents for the fund.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0218256563

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0218256563
Footnote Exhibits - Page 5653

Schedule F of Form ADV

Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

GS MBS-E-021825564

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825564
<table>
<thead>
<tr>
<th>Item of Form (Identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts (in the case of a termination) or from the capital accounts from which a withdrawal is made (in the case of a withdrawal) will be reallocated to the General Partner as set forth above.</td>
<td></td>
</tr>
<tr>
<td>Accounts (in the case of a termination) or from the capital accounts from which a withdrawal is made (in the case of a withdrawal) will be reallocated to the General Partner as set forth above.</td>
<td></td>
</tr>
<tr>
<td>The incentive allocation with respect to capital accounts of partners in CCP II that have fully withdrawn except for interests in one or more &quot;special investment accounts&quot; (i.e., &quot;side pockets&quot;), will be reallocated to the General Partner upon &quot;realization&quot; or &quot;deemed realization&quot; (as further detailed in the U.S. Funds' respective offering documents) of the applicable side pocket investment.</td>
<td></td>
</tr>
<tr>
<td>Fees for GCOF and GHYE Management Fees GCM generally is paid a quarterly management fee equal to 0.275% (1.59% annualized) of the net asset value (&quot;NAV&quot;) of each series of shares for GCOF or GHYE, calculated and paid in advance at the beginning of each quarter but amortized monthly over the respective quarter. A pro-rata portion of the management fee will be paid to GCM out of any subscriptions for shares made to GCOF or GHYE by new or existing shareholders on any date that does not fall on the first day of a quarter, based on the actual number of months remaining in such partial quarter. If shares are redeemed at any time other than at the end of a quarter from GCOF or GHYE, a pro-rata portion of the management fee (based on the actual number of days remaining in such partial quarter) will be repaid by GCM to the appropriate Fund and distributed to the redeeming shareholder.</td>
<td></td>
</tr>
</tbody>
</table>
| Incentive Fees At the end of each Fund's fiscal year, GCM is entitled to receive an incentive fee equal to 20% of the net realized and net unrealized appreciation in the NAV of each series of "ordinary" shares (i.e., net of class S shares) of such Fund during the respective year (adjusted for any redemptions and any amounts of the incentive fees made during the year (the "Adjusted NAV"); provided, however, that an incentive fee will only be paid with respect to the portion of the Adjusted NAV of a series of shares that is in excess of the "Prior High NAV" of such series of shares with respect to GCOF, Adjusted NAV also includes adjustments for the issuance of additional "ordinary" shares of an existing series following the realization or deemed realization of a "special" or "side pocket" investment (which will be recorded as "class S shares") and the subsequent exchange of class S shares relating thereto, in either case, occurring during such year. The Prior High NAV of a series of shares is the NAV of that series immediately following the date as of which the last year-end incentive fee was determined with respect to such series (i.e., if no incentive fee has yet been determined with respect to such series, the NAV of that series immediately following its initial offering). The Prior High NAV of a series of shares will be adjusted for redemption from such series. The Prior High NAV of a series of shares in GCOF will also be adjusted for redemption of "ordinary" shares of a series exchanged for class S shares (i.e., upon the making of a Special Investment) and the issuance of additional "ordinary" shares following the realization or deemed realization of a Special Investment. The Funds reserve the right to reduce, waive or calculate differently the management fee and/or the incentive fee with respect to any shareholder. In addition, the Funds reserve the right to impose different fees on future investments. GHYE does not charge directly any management, incentive or other fees for the benefit of GCM. GCM may elect to receive all or a portion of the incentive fees and/or management fees from the Funds currently or on a deferred basis, subject to a deferred compensation arrangement. Finally, any performance-based fees will be charged in accordance with Section 203 of the Advisers Act and Rule 206(4)-8.

Confidential Treatment Requested by Goldman Sachs GS MBS-E-021825565
Schedule F of Form ADV  
Page 5655

<table>
<thead>
<tr>
<th>Item of Form (identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDF-3 forefront.</td>
<td></td>
</tr>
<tr>
<td>GSPM Fees</td>
<td></td>
</tr>
<tr>
<td>Management Fees</td>
<td></td>
</tr>
<tr>
<td>GSPM will pay to GCM generally a quarterly management fee in advance as of the beginning of each fiscal quarter equal to 0.875% (0.75% annuallyized) of the lower of (i) the NAV allocable to each investor’s investment in either GSPF I and GSPPO I or (ii) total capital contributions, i.e. drawdown capital.</td>
<td></td>
</tr>
<tr>
<td>Incentive Allocation (Performance Period and Distributions)</td>
<td></td>
</tr>
<tr>
<td>Distributions will be made by GSPM to GSPF I and GSPPO I to GCM in respect of its Carried Interest and by GSPF I and GSPPO I to the investors, as follows:</td>
<td></td>
</tr>
<tr>
<td>- 8% IRR hurdle: First to the investor until the investor has received cash distributions resulting from (i) 100% return of the respective investor’s total capital contributions and (ii) an 8% internal rate of return (“IRR”) thereon; and</td>
<td></td>
</tr>
<tr>
<td>- 10/70 Split: Thereafter, 70% to the investor and 30% to GCM (as “Carried Interest”).</td>
<td></td>
</tr>
<tr>
<td>Note: Distributions will begin when the NAV per share, as of the date on which all commitments have been drawn down and the end of the decommitment period.</td>
<td></td>
</tr>
<tr>
<td>Fee Offer</td>
<td></td>
</tr>
<tr>
<td>GSPM may invest in securities vehicles sponsored and/or managed by Greywater, such as CDO products (“Sponsoring Product Fees”), in connection with which GCM may be entitled to receive fees or other forms of remuneration (“Sponsoring Product Fees”). To the extent GCM or its affiliates receive any Sponsoring Product Fees, GCM will (i) enter into the Sponsoring Product Fees in respect of the GSPM’s interest (direct or indirect) in the Sponsoring Products or (iii) reduce pro-rata, but not below zero, the amount of management fees, Carried Interest or expenses of the Funds that are paid to GCM on behalf of GSPM and for which GCM is entitled to reimbursement (together with Management Fees and carried interest, “Greywater Capital Compensation”) that would otherwise be payable by GSPM to GCM by the Sponsoring Product Fees received by GCM in respect of the GSPM’s interest (direct or indirect) in the Sponsoring Products (such amount, the “Fee Offset Amount”) or (iii) offset any other transaction such that the Funds are not charged Sponsoring Product Fees in respect of the Funds’ interest (direct or indirect) in the Sponsoring Products. GCM will continue to earn fees on the percentage of Sponsoring Products owned by non-GSPM investors.</td>
<td></td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021925566
Footnote Exhibits - Page 5656

<table>
<thead>
<tr>
<th>Issue of Form (Identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees for OCCO I</td>
<td></td>
</tr>
</tbody>
</table>
| As compensation for the performance of its obligations as collateral manager, OCCM is entitled to receive senior and subordinated management fees and, if certain conditions are met, an incentive collateral management fee (the “Collateral Management Fees”). The Collateral Management Fees will be payable from interest proceeds and, if interest proceeds are not sufficient, from principal proceeds from the portfolio of collateral that services the debt and other obligations of OCCO I (the "Collateral Portfolio"), in accordance with the schedule for amounts due, as described in the offering documents of OCCO I.

GCM, in its sole discretion, may, from time to time, defer or waive all or any portion of the Collateral Management Fees.

Senior and Subordinated Management Fees

OCCO I will pay to OCCM a quarterly senior collateral management fee in arrears (subject to the availability of funds and the priority of payments schedule) equal to 0.15% per annum of the aggregate principal amount of the Collateral Portfolio. The senior collateral management fee will be payable before any interest payments or distributions of interest proceeds on the securities issued by OCCO I. If any payment date there is insufficient funds to pay the senior collateral management fee then due in full (or if OCCM elects to defer any portion of the fee), the amount not paid will be deferred and will be payable on the first succeeding payment date specified by OCCM on which funds are available.

The issuer will also pay to OCCM a quarterly subordinated collateral management fee in arrears (subject to the availability of funds and the priority of payments schedule) equal to 0.35% per annum of the aggregate principal amount of the Collateral Portfolio. The subordinated collateral management fee will be payable before any payments or distributions on the junior most subordinated securities issued by OCCO I. If any payment date there is not enough of the subordinated collateral management fee in net yield, the amount not paid will be carried over and will accrue interest at a rate of LIBOR plus 3.00% per annum.

Incentive Collateral Management Fee

GCM will be entitled to receive generally a quarterly incentive collateral management fee, with respect to each subheading of the junior most subordinated securities of OCCO I designed as being included for purposes of calculating the incentive collateral management fee, equal to 25% of the interest proceeds and principal proceeds remaining available for distribution to the subheading, according to the priority of payments schedule. The incentive collateral management fee will be payable only if the holders of the subheading have received an annualized internal rate of return of at least 12.9%, for the period from the date of issuance of such subheading to the relevant payment date.

Fee Pay-Off arrangement

GSPM has purchased 100% of the initial principal amount of the subordinated securities. For as long as GSPM as any other funds managed by GCM continue to hold any subordinated securities, any Collateral Management Fees otherwise payable to GCM will be paid by the issuer in the following order:

- first, to GSPM or any other funds (on a pro rata basis among such funds) according to the proportions of the aggregate initial amount of all the subordinated securities that are held by the funds; and
- the remainder, if any, to GCM.

Completed amended pages in fully striked-out form and file with executes page (page 13).

Confidential Treatment Requested by Goldman Sachs GS MBS-E-02182567
<table>
<thead>
<tr>
<th>Item of Form (Identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item 2</strong></td>
<td>Expenses</td>
</tr>
<tr>
<td>The Funds bear certain expenses in connection with their operations, including, but not limited to, investment-related expenses (e.g., brokerage commissions, clearing and settlement charges, custody fees, interest expense, accounting and other professional fees relating to particular investments or contemplated investments, investment-related legal and tax expenses, and research-related expenses, including, without limitation, news and opinion equipment and services and the cost of certain investment management related software), legal expenses, auditing, audit and tax preparation expenses, organizational expenses, expenses relating to the offering and sale of interests and shares, as the case may be, management fees, fees to the administrator, extraordinary expenses and other expenses related to the Funds. GNYV, GNYM, GPFO I and GSPM also bear other expenses, including premiums for directors' and officers' liability insurance (if any), remuneration to members of the respective Funds' board of directors and advisory boards, expenses related to the maintenance of each Fund's registered office and corporate licensing. GNYV and GNYM also bear their pro rata share of GNYM's expenses as well as expenses related to risk management services provided by third parties. GPFO I and GSPF I also bear their pro rata share of GSPM's expenses.</td>
<td></td>
</tr>
<tr>
<td><strong>Item 3</strong></td>
<td>Type of Assets</td>
</tr>
<tr>
<td>GCM has a broad mandate to invest the Funds' assets, on margin or otherwise, in securities and financial instruments of U.S. and foreign entities, including, without limitation, capital stock, all manner of equity securities (whether registered or unregistered, traded or privately offered), shares of beneficial interest, partnership interests and similar financial instruments; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; interest rate, currency, equity and other derivative products, including, without limitation, (i) swaps, options, forwards, futures and similar contracts (and options thereon) relating to stock indices, currencies, United States Government securities, securities of non-U.S. government and other financial institutions and all other commodities, (ii) swaps, options, rights, warrants, when-issued securities, caps, collars, floors, forward rate agreements, and repurchase and reverse repurchase agreements and other such agreements, (iii) spot and forward currency transactions, and (iv) agreements relating to or securing such transactions; loans, including, without limitation, equipment lease contracts; equipment trust certificates; loans, O/F forwardings; advances and notes receivable and payable held by dealers or other creditors; trade acceptances and discounts; and other claims; securities; participations; mutual funds; U.S. and non-U.S. money market funds and instruments; obligations of the United States, any state thereof, non-U.S. government and instrumentalities of any kind; commercial paper, certificates of deposit, bankers' acceptances, trust receipts; letters of credit, money market instruments; accounts payable; past due, defaulted and delinquent obligations and other obligations and instruments or evidence of indebtedness of whatever kind or nature; in each case, of any person, corporation, government or other entity whatsoever, whether or not publicly traded or readily marketable.</td>
<td></td>
</tr>
</tbody>
</table>

Investments are made in accordance with the Investment objectives and guidelines as set forth in each Fund’s respective offering memorandum and investment management or collateral management agreement, as applicable, and, in the case of GCDI I, in accordance with the indenture between GCDI I and the trustee.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021925568
For a more comprehensive description of the securities and financial instruments that each Fund may invest in, see the respective offering documents of each such Fund.

From time to time, the Funds may get exposure to investments through their participation in special purpose vehicles (which may include domestic and offshore limited partnerships, limited liability companies and corporations) managed, held or sponsored by GCM, its affiliates and/or by unaffiliated parties. GCM is generally not entitled to any compensation in connection with investments through such special purpose vehicles.

**Methods of Analysis, Sources of Information and Investment Strategies**

GCM uses charting, economic, fundamental, cyclical, technical and quantitative analysis. In addition, the principals and members of the investment team of GCM have developed their own methodology and resources to assist in the identification of opportunities in the relevant markets. GCM utilizes the key relationships that its principals and other members of the investment team have developed during their careers to expediently identify and analyze investment opportunities.

The collateral management functions performed by GCM with respect to the Collateral Portfolio held by OCLO I include (i) selecting the collateral to be acquired and sold, (ii) monitoring the Collateral Portfolio on an ongoing basis and advising OCLO I as to which collateral to acquire and which to sell, (iii) instructing the trustee with respect to any disposition or transfer of collateral by OCLO I and (iv) advising OCLO I with respect to internal risk, cash flow timing and hedging strategies.

With respect to the Funds other than OCLO I, GCM focuses on three principal investment strategies, as described below. For a more detailed description of the strategies to be utilized by each Fund, investors should review each Fund's offering documents. The descriptions contained herein of specific strategies that GCM is or may be engaged in should not be understood as in any way limiting its investment activities.

**Special Situations Investing**

Special situations investing includes a variety of tactics aimed at capitalizing on market opportunities resulting from market-driven events and/or value propositions created by market inefficiencies. GCM’s main focus in this respect is credit-specific with a focus on distressed securities, special situations and capital structure arbitrage opportunities, where GCM believes that the market is either over- or under-pricing an asset value. In order to identify opportunities, GCM focuses on markets or issues underlying periods of volatility. Volatility may be caused by operational problems, legislative or regulatory changes, legal actions, management issues, broad or sector market trends or shifts. Significant price fluctuations often occur in securities whose issuers are the subject of corporate reorganizations or restructurings, liquidation events, mergers, spin-offs or other credit changes. The volatility of the market for these securities often results in their being mispriced. GCM intends to utilize long and short strategies based on relative-value assessments.

**High Yield Investing**

In pursuing high yield investing, portfolio investments will be concentrated in long and short positions in high-yield bonds, credit default swaps and bank loans to leveraged companies. Similar allocations to investment-grade bonds and other corporate obligations may also be made.

GCM’s high yield investing approach focuses on creating long and short investments using fundamental analysis, as well as by exploiting inefficiencies and trading opportunities in the credit markets. In carrying out this investment strategy, GCM attempts to maintain portfolio liquidity and to preserve capital.

The investment process focuses on credit analysis of individual companies, but industry dynamics and macroeconomic conditions are also considered. Once a company is targeted for investment, a relative value matrix of the company’s capital structure is constructed, and capital structure arbitrage positions may be established. GCM may also seek to leverage industry or commodity risk by shorting a security closely correlated with that risk (i.e., a paired trade).
### Footnote Exhibits - Page 5680

<table>
<thead>
<tr>
<th>Item of Form (identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>William Troy 1951</td>
<td>Greywolf Capital Management LP, Portfolio Manager of High Yield Funds, Risk Management and Investor Relations (February 2003 - present), Chief Operating Officer (February 2003 - May 2005)</td>
</tr>
<tr>
<td></td>
<td>JP Morgan, Managing Director (1998-2001)</td>
</tr>
<tr>
<td></td>
<td>Smith Barney, Managing Director (1996 - 1998)</td>
</tr>
<tr>
<td>James Gillespie 1972</td>
<td>Chartered Financial Analyst</td>
</tr>
<tr>
<td></td>
<td>Bachelor of Commerce (with honors), University of British Columbia, (1995); Leslie Wong Fellow (1995)</td>
</tr>
<tr>
<td></td>
<td>Greywolf Capital Management LP, Portfolio Manager of Greywolf Capital Partners II and Greywolf Capital Overseas Fund (collectively, the “Special Situation Funds”) (February 2003 - present)</td>
</tr>
<tr>
<td>Robert Miller 1961</td>
<td>MBA (with honors), UNC-Chapel Hill (1980)</td>
</tr>
<tr>
<td></td>
<td>BA, magna cum laude, Franklin and Marshall College (1983)</td>
</tr>
<tr>
<td></td>
<td>Greywolf Capital Management LP, Portfolio Manager of High Yield Funds (2004 - present), Principal Head Trader (February 2003 - February 2004)</td>
</tr>
<tr>
<td>Gregory Mount 1964</td>
<td>MBA (with honors) The University of Chicago Graduate School of Business (1992)</td>
</tr>
<tr>
<td></td>
<td>Greywolf Capital Management LP, Partner (September 2003 - present)</td>
</tr>
<tr>
<td></td>
<td>BA, Hamilton College (1992)</td>
</tr>
<tr>
<td></td>
<td>Greywolf Capital Management LP, Portfolio Manager of Special Situations Funds (February 2003 - present)</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825571
### Footnote Exhibits - Page 5661

<table>
<thead>
<tr>
<th>Item of Form</th>
<th>Name</th>
<th>Year</th>
<th>Current Title and Position</th>
<th>Past Titles and Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fax Parks, Chief Financial Officer (1998 - 1999)</td>
</tr>
<tr>
<td></td>
<td>Michelle Lynell</td>
<td>1992</td>
<td>JD, Northwestern University School of Law (1998)</td>
<td>Greywolf Capital Management LP, General Counsel (February 2006 - Present)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>LLB, Loyola College in Maryland (1972)</td>
<td>Forest Investment Management LLC, Chief Compliance Officer &amp; Counsel (July 2004 - May 2005)</td>
</tr>
<tr>
<td>Item B.C.</td>
<td></td>
<td></td>
<td></td>
<td>McKay Shields, LLC, Director (2003); Associate Director (2001 - 2003); Associate (1999 - 2001)</td>
</tr>
<tr>
<td>Item B.D.</td>
<td></td>
<td></td>
<td>Other Financial Industry Activities and Affiliations</td>
<td>As noted previously, Greywolf Advisors LLC serves as the general partner of the U.S. Funds. Mr. Jaweed Saifee, GCM’s Chief Executive Officer and Chief Investment Officer, is the managing member of GCFL’s general partner, and is also the sole managing member of Greywolf Advisors LLC and Meurer, Williams, Fiallo, Iliff, Notini, Inc., and CSM. The GCM does not provide investment advisory services to persons with individually managed accounts and therefore generally does not solicit clients to invest in the Fund.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>GCM has purchased 100% of the initial notional amount of the subordinated securities of GCLO I. Under this arrangement, the Collateral Management Fees otherwise payable by GCLO I to GCM are paid to GCM.</td>
</tr>
<tr>
<td>Item 9</td>
<td></td>
<td></td>
<td>Participation in Client Transactions and Conflicts of Interest</td>
<td>Participation in Client Transactions</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825572
Footnote Exhibits - Page 5662

<table>
<thead>
<tr>
<th>Item of Form (Identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCM and its personnel do not purchase or sell any securities for their own accounts or from the Funds. However, from time to time, subject to Fund investment guidelines and restrictions, GCM may direct one Fund to sell securities to another Fund through an internal cross transaction in which neither GCM nor a related person will receive compensation. Any such transaction will be effected based on the then current independent market price and consistent with valuation procedures established by GCM. To the extent that any such cross transaction may be viewed as a principal transaction due to the ownership interest in the Fund by GCM and its parent, GCM will comply with the requirements of Section 206(3) of the Advisers Act, including that GCM will notify the Fund (or an independent representative of the Fund).</td>
<td></td>
</tr>
</tbody>
</table>

Confidential Statement

The Funds are subject to a number of actual and potential conflicts of interest. Certain inherent conflicts of interest arise from the fact that GCM and its affiliates (including the General Partner, the "Graywolf Group") provide investment management services to the Funds and may, in the future, provide management services to additional funds or other accounts and proprietary accounts in which the Funds will have no interest (collectively, "Other Accounts"). The respective investment programs of the Funds and Other Accounts may or may not be substantially similar. The portfolio strategies employed by the Graywolf Group for Other Accounts could conflict with the transactions and strategies employed by the Graywolf Group in managing the Funds and affect the price and availability of the securities and instruments in which the Funds invest. Conversely, participation in specific investment opportunities may be appropriate, at times, for one or more of the Funds and Other Accounts. In such cases, participation in such opportunities will be allocated on an equitable basis, as more fully described under "Investment Strategies Disclosures - Trade Allocation and Aggregation Policies and Procedures" below. Such considerations are likely to result in allocations of certain investments among the Funds and Other Accounts on a fair and prudent basis.

From time to time, GCM may acquire securities or other financial instruments of an issuer for a Fund (or Other Account) which are senior or junior to securities or financial instruments of the same issuer that is held by, or acquired for, another Fund (or Other Account) (e.g., one Fund (or Other Account) may acquire senior debt while another Fund (or Other Account) may acquire subordinated debt). GCM recognizes that conflicts may arise under such circumstances. When this occurs, the portfolio managers will attempt to determine which of the "conflicting investments" has the highest profitability potential (such investment, the "Preferred Investment"). Taking into account such considerations as size of position, the risk/reward profile and likelihood of access to a particular issuer or source of action (i.e., exercising rights under loan, note or security agreements, prepaying or paying off debt financing or other matters in a bankruptcy court, pursuing litigation or proposing or supporting a plan of reorganization in bankruptcy, , alcohol and costs and demands on GCM resources and personnel). In the absence of an agreement among the portfolio managers as to the Preferred Investment, Mr. Savitt, or in his absence, Mr. Toy, may make such determinations.

Applicable tax, regulatory and other considerations may sometimes lead to certain equity and real estate investments being structured in a manner such that a Fund (or the entity through which a Fund makes an investment) will hold capital in (or receive in a similar transaction with) U.S. funds affiliated with GCM. The debt interest of such Fund, while senior to the equity interest held by the affiliated U.S. funds, is often structured to yield a desirable return (and accordingly a lower rate of return) than the U.S. capital investment. As in all allocation decisions, GCM must weigh the conflicting interests of the different investors and funds in determining the amount to allocate to debt and equity and the terms of those terms. GCM will attempt to deal with such conflicting interests in a manner similar to that of the Preferred Investments. Additionally, the equity and debt holders with respect to an investment may have conflicting interests during the term of a particular investment, especially if the investment is not performing well.

Over the Preferred Investment is determined, the portfolio managers will take actions which seek to maximize value. Such actions could possibly be adverse to other investments held by the Funds or Other Accounts. To lessen any adverse impact resulting from such action, GCM may seek to sell in a commercially reasonable manner any non-Preferred Investments. Alternatively, a determination may be made that an immediate sale would result in a lower return on the non-Preferred Investment than would be the case if the investment remained in the portfolio. In such cases, GCM would maintain the position. These considerations, however, cannot be guaranteed, but the conflict to hold a non-Preferred investment will not result in greater losses than would have resulted had the investment been sold.

Complete current page in cot, draw amended lines and the 1/12s execution page page 3.}

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825573
<table>
<thead>
<tr>
<th>Schedule II of Form ADV</th>
<th>Applicant</th>
<th>Greywolf Capital Management LP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form ADV Schedule II</td>
<td>SSC File Number</td>
<td>591-05664</td>
</tr>
<tr>
<td>Applicant</td>
<td>Date</td>
<td>March 12, 2007</td>
</tr>
</tbody>
</table>

1. Full name of applicant exactly as stated in item 1A of Part I of Form ADV | IRS Employer Identification No. | 14-176727 |

<table>
<thead>
<tr>
<th>Item of Form</th>
<th>Identity</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition, the Greywolf Group may give advice on or take action with respect to the investments of one or more Funds (or Other Accounts) that may not be given or taken with respect to other Funds with similar investment programs, objectives, and strategies. Accordingly, Funds having similar strategies may not hold the same securities or instruments or achieve the same performance. The Greywolf Group also may advise Funds (or Other Accounts) with conflicting programs, objectives, or strategies. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Funds. Finally, OCM, its principals and other personnel may have conflicts in scheduling their time and services among the Funds (or other Accounts). OCM and its principals, officers, and employees will devote as much of their time to the activities of the Funds as OCM deems necessary and appropriate.

From time to time one Fund managed by OCM (the "Selling Fund") may offer to another Fund managed or advised by OCM (the "Purchasing Fund") assignments or sales of, shares (or interests therein) that the Selling Fund has originated or purchased. Such offers will usually be made after the Selling Fund has already held such investment (including the positions offered) for a period of time. The price of the participation, assigned or sold, will be determined by the Purchasing Fund and will be based on third-party valuations. Further, the decision by the Purchasing Fund to accept or reject such an offer made by the Selling Fund will be made by parties or individuals not involved in the origination or purchase decision on behalf of the Selling Fund. In determining the target amount of a particular share originated or purchased by the Selling Fund, the Selling Fund may take into consideration the fact that it anticipates offering participations or assigning or selling a portion of such shares as described above. If the target amount of such shares is not achieved, the Selling Fund will be required to hold that portion of the investment until such time as it can be disposed of. This may result in the Selling Fund being "overweighted" with respect to a particular investment for a significant period of time.
<table>
<thead>
<tr>
<th>Type of Firm (Identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCM and its affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships, engaging in other business (as non-business) activities or directly or indirectly purchasing, selling, holding or otherwise dealing with any securities for the benefit of any such other funds or other clients (including, without limitation, for or on behalf of clients that invest or may invest in the Funds or Other Accounts); even though such activities may be in competition with the Funds and/or may involve substantial time and resources of GCM and its affiliates, provided that (i) GCM has not agreed not to begin investment activities in any fund with investment parameters substantially similar to the GSPM until 75% or more of the Fund’s aggregate Commitments have been drawn and invested, unless GSPM’s Advisory Committee approves investment activities prior to such time and (ii) GSPM will receive Priority Allocation of equity in GCM sponsored products that are CDOs (&quot;Sponsored CDOs&quot;) in accordance with the following:</td>
<td></td>
</tr>
<tr>
<td>(a) &quot;Priority Allocation&quot; shall mean the allocation of the equity of any Sponsored CDOs to GSPM in an amount equal to the lesser of (i) $30 million and (ii) 30% of the aggregate equity of such Sponsored CDOs where such allocation is controlled by GCM.</td>
<td></td>
</tr>
<tr>
<td>(b) The Priority Allocation will terminate on the earlier of:</td>
<td></td>
</tr>
<tr>
<td>(i) the date during GSPM’s drawdown period on which GSPM has invested $90 million in a Sponsored CDO equity, or, if GSPM has not invested such amount by the end of the drawdown period, the date thereafter on which GSPM has invested the lesser of (y) $90 million and (z) 30% of the net Asset Value of GSPM in any Sponsored CDO equity, in each case calculated on the basis of lost or, in GCM’s sole discretion, a premium that results from additional value in such Sponsored CDO equity created by GCM (for example, by way of the applicable management fees), and</td>
<td></td>
</tr>
<tr>
<td>(ii) the third anniversary of GSPM’s Final Closing Date.</td>
<td></td>
</tr>
<tr>
<td>GCM may from time to time invest in other funds in one or more Funds or in securities or instruments in which it may invest the Funds’ assets. Similarly, GCM’s principals, officers and employees may from time to time make personal investments in securities or instruments in which GCM may invest the Funds’ assets. GCM and its personnel may buy, sell, or hold securities or other instruments for its or their own account(s) while engaging in different investment decisions for one or more Funds. In addition, certain GCM’s principals and employees have substantial personal investments in one or more Funds. The amount of such principal or employee personal investment in a Fund (if any) may change from time, a principal or employee may decide to invest only in certain Fund(s) and not in others. Investors will not be provided with notice of principal or employee investment in, or withdrawal from, a Fund (except to the extent such notice is required under a Fund’s offering document).</td>
<td></td>
</tr>
</tbody>
</table>

The above list is not a complete description of every conflict of interest that could be deemed to exist.

Certain of GCM’s principals, officers and employees are former employees of Goldman, Sachs & Co., which acts as prime broker and is a counterparty to the Funds. Such former Goldman, Sachs & Co. employees may also have an interest in, or other business dealings with, Goldman, Sachs & Co. Such continuing relationship with Goldman, Sachs & Co. may be deemed to create a conflict of interest for GCM with respect to its conducting or maintaining the Funds’ relationships with Goldman, Sachs & Co.

Code of Ethics

GCM strives to foster and maintains a reputation of honesty, integrity and professionalism. In seeking to meet these standards, GCM has adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold: employees must at all times act in the best interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code, and any actual or potential conflicts of interest or any delay of an employee's position of trust and responsibility must be avoided. Employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the Funds, including the Funds’ investments, must be kept confidential and independent of the investment decision-making process must be maintained at all times. The

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825575
<table>
<thead>
<tr>
<th>Item of Form (identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 10</td>
<td>Investors in the Special Situational Funds and the High Yield Funds are generally required to make minimum initial investments of at least US$2,000,000 and investors in the Structured Products Funds are generally required to make minimum initial investments of at least US$1,000,000. Thereafter, additional investments may be accepted in US$250,000 increments with respect to the Special Situational Funds and the High Yield Funds. The minimum investments may be waived by the General Partner (in the case of the U.S. Funds) or by the board of directors (in the case of the Offshore Funds), provided that the Offshore Funds may not accept minimum initial investments of less than US$1,000,000. Investments in the Funds are not freely marketable and subject to limitations on their liquidity, including, without limitation, &quot;lock-up&quot; or &quot;rescission&quot; periods, gains, limited liquidity dates and potentially periods in which withdrawals of capital/subscription of shares may be suspended. Such limitations must be considered significant. To review the specific liquidity terms of each Fund, investors should review the Fund's respective offering documents.</td>
</tr>
</tbody>
</table>

Complete amended page in full, strike crossed out items and file with comments page (page 15).

Confidential Treatment Requested by Goldman Sachs GS MBS-E-021625576
### Schedule of Form ADV

<table>
<thead>
<tr>
<th>Schedule F of Form ADV</th>
<th>Applicant</th>
<th>SEC File Number</th>
<th>NAIC</th>
<th>Filing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule of Form ADV</td>
<td>Grouped Capital Management LP</td>
<td>870-3599</td>
<td>12/13/2007</td>
<td></td>
</tr>
</tbody>
</table>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

#### Item 1

<table>
<thead>
<tr>
<th>Item of Form</th>
<th>Identify</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant</td>
<td></td>
<td>GCM performs various reviews of the Funds in order to maintain the integrity of the Funds. Portfolio managers and the Chief Executive Officer are responsible for overseeing the reviews. Research analysts in the Investment Management Department also maintain extensive holdings and requests that arise. Accounts are regularly reviewed in light of their established objectives and policies. The Fund administrator also reviews the accounts regularly. Investors in Funds other than GCLLO I receive monthly reports and annual audited financial statements prepared by the Funds' independent auditor after completion of each year's audit or (as soon as reasonably practicable thereafter), as well as certain tax information for purposes of investment tax returns. Monthly reports and certain other reports prepared by or on behalf of GCLLO I in accordance with the indenture are available upon request to holders of securities issued by GCLLO I.</td>
</tr>
</tbody>
</table>

#### Investment Commisioner's Discussion

As noted previously, GCM has full discretionary authority to manage the Funds, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for any particular transaction, and commissions or markups and markdowons paid. GCM's authority in this regard is limited by its own internal policies and procedures and each Fund's investment guidelines and, in the case of GCLLO I, is consistent with the indenture between GCLLO I and the Trustee.

In selecting an appropriate broker-dealer to effect a client trade, GCM aims to obtain best execution, taking into account relevant factors into consideration, including, but not limited to: price, execution, the nature of the market for the security; the timing of the transaction; the demand for the security; the broker-dealer's expertise in the specific security or sector in which the client seeks to trade; the extent to which the broker-dealer makes a market in the security involved; the use of access to such markets; availability of trade information regarding the market for the security; the broker-dealer's reputation for diversity, fairness and integrity; quality of service rendered by the broker-dealer in other transactions for GCM; confidentiality considerations; the quality and usefulness of research services and investment ideas presented by the broker-dealer; the broker-dealer's ability and willingness to enter into all matters affecting the security obtained. GCM is not subject to competitive bidding and does not have an obligation to seek the lowest available commission rate or spread. GCM maintains policies and procedures to review the quality of services, including periodic reviews by its investment professionals.

#### Soft Dollar Use

From time to time, GCM may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of trades) (principal transactions) for effecting transactions in recognition of the value of the brokerage and research services provided by the broker-dealer. GCM will effect such transactions, and receive such brokerage and research services, only to the extent that they meet the standards set forth in the Code of Conduct of the Securities Exchange Act of 1934 and the terms of the indenture. The Code of Conduct of the Securities Exchange Act of 1934 and the terms of the indenture require that GCM provide written notice of any potential conflicts of interest and any potential benefits received from the broker-dealer. GCM also will require that any broker-dealer receiving such benefits agree to comply with the Code of Conduct of the Securities Exchange Act of 1934 and the terms of the indenture.

If GCM concludes that the commissions charged by a broker or the spreads applied by a dealer are reasonable in relation to the value of the brokerage and research products or services provided by such broker or dealer, the Funds may pay commissions or be subject to spreads to such broker-dealer in an amount greater than the amount another broker-dealer might charge or apply.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825577
Generally, research services provided by broker-dealers may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with securities analysts. In addition, such research services may be provided in the form of meetings arranged with corporate and industry spokespeople, economists, academics, and government representatives. In many cases, research services and products provided by the broker-dealer are generated by third parties. Currently, Gryzowf does not have, and does not anticipate having, any such third-party soft dollar arrangements.

Also, consistent with Section 38(g), research products or services obtained with "soft dollars" generated by one or more Fund may be used by GCM to service one or more other Funds. Nonetheless, GCM believes that such investment information provides the Funds with benefits by supplementing the research otherwise available to the Funds.

On a periodic basis, GCM considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of its Funds on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can exceed the suggested level, because total brokerage is allocated on the basis of all the considerations described above. In no case will GCM make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay such if any internal targets are not met. A broker is not excluded from receiving business because it has not been identified as providing research products or services.

GCM may open "average price" accounts with brokers. In an "average price" account, purchase and sale orders placed during a trading day on behalf of the Funds, Other Accounts or affiliates of GCM are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis.

Additional Brokerage Considerations

From time to time, GCM may conduct over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker used by GCM may acquire or dispose of a security through a market-maker (a practice known as "repurchase/repurchase"). The transaction may be subject to both a commission and a markup or markdown. GCM believes that the use of a broker (in such instances) is consistent with its duty of obtaining best executions for the Funds. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both executing the market and completing a transaction.

GCM has entered into agreements on behalf of its Funds with certain broker-dealers that act as prime brokers and/or institutions on behalf of the Funds. The Funds are not committed to continue their relationship with such brokers and custodians for any minimum period, and GCM, in its discretion, may select other or additional brokers to act as prime broker(s) or custodian(s) for the Funds.

Goldman Sachs & Co., 1 New York Plaza, 44th Floor, NY, NY 10004 serves as the primary prime broker to the Funds and custodian for the Funds’ assets. In addition, Citigroup Global Markets Inc., 390 Greenwich St, 3rd Floor, NY, NY 10013, BNP Paribas Securities Inc., 1 First Canadian Place, 36th Floor, Toronto, ON M5X 15D Canada, Bsons of America Securities LLC, 3 West 37th Street, New York, NY 10018, Morgan Stanley & Co. Incorporated, 2001 Avenue of Americas, New York, New York 10010, and Lehman Brothers Inc., 745 Seventh Avenue, 19th Floor, New York, New York 10019 also serve as custodians to the Funds.

From time to time, GCM’s personnel may speak at conferences and programs for potential investors interested in investing in hedge funds which are sponsored by the Funds’ prime brokers. Through such "capital introduction" events, prospective investors in the Funds have the opportunity to meet with GCM. Neither GCM nor the Funds...
Footnote Exhibits - Page 5668

Schedule F of Forms ADV

<table>
<thead>
<tr>
<th>Item of Form (identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>compensate the prime brokers for organizing such events or for investments ultimately made by prospective investors attending such events. However, such events and other services (including, without limitation, capital introduction services) provided by a prime broker may influence OCM in deciding whether to use such prime broker in connection with brokage, financing and other activities of the Funds.</td>
</tr>
</tbody>
</table>

Trade Allocation and Assignment Policies and Procedures

It is the policy of OCM to allocate investment opportunities for the Funds fairly and equitably. To address trade allocations, OCM has adopted a written “Trade Allocation Policy and Procedure” setting forth general principles of allocation designed to result in the fair and equitable distribution of aggregated investment opportunities among investment advisory accounts.

The Trade Allocation Policy and Procedure is summarized as follows. Before entering into an aggregated order, a statement which specifies the Funds that will be participating in such order and how the order will be allocated among such Funds will be noted in the Firm’s trade blotter. When the Funds that participate in an aggregated order have different investment programs, the allocation plan will take into account, among other considerations:

(a) whether the risk-return profile of the proposed investment is consistent with the Fund’s objectives, whether such objectives are considered (i) solely in the light of the specific investment under consideration or (ii) in the context of the portfolio’s overall holdings; (b) the potential for the proposed investment to create an imbalance in the Fund’s portfolio; (c) liquidity requirements of the Funds; (d) potentially adverse tax consequences (e.g., UBIT, EC1 issues); (e) regulatory restrictions that would or could limit a Fund’s ability to participate in a proposed investment; (f) the need to re-allocate the risk in the Fund’s portfolio; and (g) such other factors considered relevant by OCM. If the aggregated order is filled in its entirety, each order will be allocated among the relevant Funds in accordance with the Allocation Statement.

From time to time, certain other accounts may receive priority allocations consistent with specified terms in their respective client account documents or in connection with brokage or other new products such as CDOs or CLOs, which may be allocated priority during an initial investment or “rump-up” period. New products will receive priority because they have significant amounts of investible cash on hand and limited time to close. The rump-up period typically will be determined in advance by agreement between OCM and the underwriter for the product. Such allocations will be subject to OCM’s duty to act in good faith.

When an aggregated order is filled through multiple trades at different prices on the same day, each participating Fund will receive the average price with nauweshan costs allocated pro rata based on the size of each Fund’s participation in the order (or allocation in the event of a partial fill) as determined by OCM. On occasion, OCM will not be able to purchase or sell all the securities ordered in part of an aggregated order in a single day. If the order is partially filled, it will generally be allocated pro rata in proportion to the size of the orders placed for each Fund based on the Allocation Statement. notwithstanding the foregoing, if no order is partially filled, it may be allocated on a basis different from that specified in the Allocation Statement, provided that all Funds receive fair and equitable treatment. Reasoning for allocating on a basis different from that specified in the Allocation Statement include, in addition to the reasons mentioned above, avoiding odd-lots or a de minimis allocation to one or more Funds.

On occasion, securities for the same instrument may be placed for different Funds at different times on the same day. Subject to OCM’s discretion, such trades may not be aggregated and the order placed for each Fund will be given priority.

Trade Errors

OCM may incur errors or errors with respect to trades executed on behalf of its clients. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, or a security is sold when it should have been purchased or vice-versa, a security is sold or purchased contrary to regulatory restrictions or a Fund’s investment guidelines or restrictions, the correct security is purchased or sold for the wrong account, or the wrong quantity is purchased or sold (e.g., 1,000 shares instead of 10,000 shares are traded). Trade errors may result in losses or gains. OCM will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. Any gains resulting from a trade error shall be for the benefit of the affected Fund(s). To the extent trade errors result from OCM’s errors in the course of

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825579
## Footnote Exhibits - Page 5669

<table>
<thead>
<tr>
<th>Schedule I of Form ADV</th>
<th>Applicant:</th>
<th>SIC File Number:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form ADV Coordination Sheet for Form ADV Part I</td>
<td>Greywolf Capital Management LP</td>
<td>811-50648</td>
<td>March 11, 2007</td>
</tr>
</tbody>
</table>

(Do not use this Schedule as a coordination sheet for Form ADV Part I or any other schedules.)

### Item

<table>
<thead>
<tr>
<th>Item of Form (identify)</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>of the trading of the Fund's assets, GCAM will be responsible for making the affected Fund whole with respect to such errors that result from GCAM's gross negligence or recklessness or intentional misconduct. Given the volume of investments executed on behalf of the Funds, investors should assume that trading errors will occur and that the Fund will be responsible for any resulting losses, even if such losses result from GCAM’s negligence (but not gross negligence). To the extent an error is caused by a counterparty, such as a broker-dealer, GCAM will not be responsible for such errors and will strive to recover losses associated with such error from the counterparty.</td>
<td></td>
</tr>
</tbody>
</table>

### Securitization

**Proxy Voting Policies and Procedures**

The Securities and Exchange Commission adopted Rule 29c-1 under the Advisor Act, which requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rules, GCAM has adopted proxy voting policies and procedures (the "Policies").

The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any (collectively, "proposals"), in a manner that serves the best interests of the Funds, as determined by GCAM in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, GCAM may refrain from voting proxies where GCAM believes that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the Funds. Finally, GCAM has developed detailed procedures to address potential circumstances in which it may have a conflict between its own interests and those of the Funds. A copy of the Policies and information regarding any proxies actually voted by GCAM may be obtained by contacting the Chief Compliance Officer, Greywolf Capital Management LP, 4 Manhattanville Road Suite 201, Purchase, New York 10577.

**Class Action Lawsuits**

From time to time, GCAM may receive notices regarding class action lawsuits involving securities that are or were held by the Funds. As a matter of policy, GCAM schedulizes these lawsuits in class action actions and also refuses to submit any claims where GCAM believes that it is likely to be negligible or GCAM cannot be assured of confidential treatment of the data submitted in connection with the proof of claim. As a result, GCAM, in most cases, does not participate in class action lawsuits.

---

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825580
REGISTERED OFFICES OF THE ISSUERS

Timberwolf I, Ltd.  
c/o Maples Finance Limited  
P.O. Box 1093 GT  
Queensgate House, South Church Street  
George Town  
Grand Cayman, Cayman Islands

Timberwolf I (Delaware) Corp.  
850 Library Avenue, Suite 204  
Newark, Delaware 19711

FISCAL AGENT  
The Bank of New York, London Branch  
One Canada Square  
London E14 5AL  
United Kingdom

TRUSTEE, PRINCIPAL NOTE PAYING AGENT,  
COLLATERAL ADMINISTRATOR,  
NOTE PAYING AGENT, NOTE TRANSFER  
AGENT, NOTE REGISTRAR AND INCOME NOTE  
REGISTRAR  
The Bank of New York  
101 Barclay Street, Floor 8E,  
New York, New York, 10286, U.S.A.

COLLATERAL MANAGER  
Greywolf Capital Management LP  
4 Manhattanville Road, Suite 201  
Purchase, New York 10577

LEGAL ADVISORS

To the Collateral Manager  
Sidley Austin LLP  
787 Seventh Avenue  
New York, New York 10019

To the Initial Purchaser  
Orrick, Herrington & Sutcliffe LLP  
500 Fifth Avenue  
New York, New York 10103

To the Issuers  
As to matters of United States Law  
Orrick, Herrington & Sutcliffe LLP  
500 Fifth Avenue  
New York, New York 10103

To the Trustee, Principal Note Paying  
Agent, Collateral Administrator, Note Paying  
Agent, Note Transfer  
Agent, Note Registrar and Fiscal Agent  
As to matters of United States Law  
Dorsey & Whitney LLP  
250 Park Avenue  
New York, New York, 10177, U.S.A.

To the Issuer  
As to matters of Cayman Islands Law  
Maples and Calder  
P.O. Box 309GT  
Uglend House, South Church Street  
George Town, Grand Cayman, Cayman Islands

Confidential Treatment Requested by Goldman Sachs  
GS MBS-E-021825561
No dealer, salesperson or other person has been authorized to give any information or to represent anything not contained in this Offering Circular. You must not rely on any unauthorized information or representation. This Offering Circular is an offer to sell only the Securities offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Offering Circular is current only as of its date.

**TABLE OF CONTENTS**

**Offering Circular**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td>24</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>37</td>
</tr>
<tr>
<td>Description of the Securities</td>
<td>50</td>
</tr>
<tr>
<td>Use of Proceeds</td>
<td>69</td>
</tr>
<tr>
<td>Ratings of the Notes</td>
<td>88</td>
</tr>
<tr>
<td>Security for the Notes</td>
<td>88</td>
</tr>
<tr>
<td>Weighted Average Life and Yield Considerations</td>
<td>108</td>
</tr>
<tr>
<td>The Collateral Manager</td>
<td>112</td>
</tr>
<tr>
<td>The Collateral Management Agreement</td>
<td>117</td>
</tr>
<tr>
<td>The Issuers</td>
<td>120</td>
</tr>
<tr>
<td>Income Tax Considerations</td>
<td>123</td>
</tr>
<tr>
<td>ERISA Considerations</td>
<td>128</td>
</tr>
<tr>
<td>Certain Legal Considerations</td>
<td>132</td>
</tr>
<tr>
<td>Listing and General Information</td>
<td>133</td>
</tr>
<tr>
<td>Legal Matters</td>
<td>134</td>
</tr>
<tr>
<td>Underwriting</td>
<td>134</td>
</tr>
<tr>
<td>Index of Defined Terms</td>
<td>138</td>
</tr>
<tr>
<td>Appendix A</td>
<td></td>
</tr>
<tr>
<td>Certain Definitions</td>
<td></td>
</tr>
<tr>
<td>Appendix B</td>
<td></td>
</tr>
<tr>
<td>Collateral Asset Descriptions and Transaction Summaries</td>
<td></td>
</tr>
<tr>
<td>Annex A-1</td>
<td></td>
</tr>
<tr>
<td>Form of Income Notes Purchase and Transfer Letter</td>
<td>A-1</td>
</tr>
<tr>
<td>Annex A-2</td>
<td></td>
</tr>
<tr>
<td>Form of Class D Notes Purchase and Transfer Letter</td>
<td>A-2</td>
</tr>
<tr>
<td>Annex B</td>
<td></td>
</tr>
<tr>
<td>Part of Graywolf Capital Management LP’s Form ADV</td>
<td>B-1</td>
</tr>
</tbody>
</table>

**OFFERING CIRCULAR**

Goldman, Sachs & Co.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-021825582
IMPORTANT NOTICE

Attached is an electronic copy of the Confidential Offering Circular (the "Offering Circular"), dated March 16, 2007, relating to the offering by Anderson Mezzanine Funding 2007-1, Ltd (the "Issuer") and Anderson Mezzanine Funding 2007-1, Corp. (the "Co-Issuer" and, together with the Issuer, the "Issuers") of the Notes described therein.

No registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities are being offered pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended. This Offering Circular is confidential and will not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of these securities in any jurisdiction where such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

No purchase of these securities may be made except pursuant to the Offering Circular. This Offering Circular may be transmitted electronically, but each investor in the securities should receive a printed version thereof prior to purchase. If you do not receive a printed version of this Offering Circular, please contact your Initial Purchaser representative at the address provided herein.

Distribution of this electronic transmission of the Offering Circular to any person other than (a) the person receiving this electronic transmission from the Initial Purchaser on behalf of the Issuer and/or the Co-Issuer and (b) any person retained to advise the person receiving this electronic transmission with respect to the offering contemplated by the Offering Circular (each, an "Authorized Recipient") is unauthorized. Any photocopying, disclosure or alteration of the contents of the Offering Circular, and any forwarding of a copy of the Offering Circular or any portion thereof by electronic mail or any other means to any person other than an Authorized Recipient, is prohibited. By accepting delivery of this Offering Circular, each recipient agrees to the foregoing.
CONFIDENTIAL

ANDERSON MEZZANINE FUNDING 2007-1, LTD.
ANDERSON MEZZANINE FUNDING 2007-1 CORP.
U.S.$2,490,000 Class S-1 Very Senior Notes Due 2013
U.S.$310,000,000 Class A-1a Floating Rate Notes Due 2042
U.S.$3,523,000,000 Class A-1b Floating Rate Notes Due 2042
U.S.$3,500,000 Class A-2 Floating Rate Notes Due 2042
U.S.$4,127,000,000 Class B Floating Rate Notes Due 2042
U.S.$16,755,000 Class C Variable Floating Rate Notes Due 2042
U.S.$81,890,000 Class D Variable Floating Rate Notes Due 2042
U.S.$20,055,000 Income Notes Due 2042

Secured primarily by (i) the Collateral and (ii) the lower’s rights under the Credit Default Swap referencing a portfolio of Residential Mortgage-Backed Securities and CDO RMBS Securities

The Second Note (as defined herein) and the Issuer Notes (as defined herein) (collectively, the “Offered Notes”) are being offered hereby by Goldman, Sachs & Co. in the United States to qualified institutional buyers as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “Securities Act”), or to residents of the United Kingdom, under the United Kingdom Act, and, where in the case of the Issuer Notes, as provided pursuant to Rule 144A under the Securities Act for notes not more than one month after the close of the bookbuilding process and/or pursuant to Regulation S under the United States Act, as amended (the “Regulation S Notes”).

The Offered Notes are being offered subject to, and in accordance with, the provisions of the United States Act and the United Kingdom Act, and subject to the acceptance of an offer of sale of the Offered Notes in accordance with the terms and conditions set forth herein.

The Offered Notes are offered and sold subject to the condition that, prior to the acceptance of an offer of sale of the Offered Notes, the acceptance of an offer of sale of the Offered Notes and the issuance and delivery of the Offered Notes will be conditioned upon the satisfaction (or waiver by the Issuer) of the following conditions: (i) the receipt by the Issuer of an opinion of counsel of Goldman, Sachs & Co., counsel to the Issuer, to the effect that the Issuer is an “Exempt Person” within the meaning of Rule 144A and/or Regulation S, as applicable, in each case in form and substance reasonably satisfactory to Goldman, Sachs & Co. and the Issuer;

The Offered Notes are being offered subject to, and in accordance with, the provisions of the United States Act and the United Kingdom Act, and subject to the acceptance of an offer of sale of the Offered Notes in accordance with the terms and conditions set forth herein.

The Offered Notes are being offered primarily by Goldman, Sachs & Co. to institutional buyers, as defined in Rule 144A under the United States Act, subject to the conditions set forth herein.

 Goldman Sachs & Co.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912575
Anderson Mezzanine Funding 2007-1, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the “Issuer”), and Anderson Mezzanine Funding 2007-1 Corp., a Delaware corporation (the “Co-Issuer” and, together with the Issuer, the “Issuers”), will issue U.S.$2,090,000 principal amount of Class A-1a Floating Rate Notes Due 2013 (the “Class A-1a Notes”), U.S.$5,000,000 principal amount of Class A-1b Floating Rate Notes Due 2014 (the “Class A-1b Notes”), U.S.$53,000,000 principal amount of Class A-2 Floating Rate Notes Due 2021 (the “Class A-2 Notes” and, together with the Class A-1 Notes, the “Class A Notes”), U.S.$30,590,000 principal amount of Class A-2 Floating Rate Notes Due 2021 (the “Class A-2 Notes” and, together with the Class A-1 Notes, the “Class A Notes”), U.S.$53,000,000 principal amount of Class B Floating Rate Notes Due 2021 (the “Class B Notes” and, together with the Class A Notes, the “Class B Notes”), U.S.$16,773,000 principal amount of Class C Deferrable Floating Rate Notes Due 2012 (the “Class C Notes”) and U.S.$11,090,000 principal amount of Class C Deferrable Floating Rate Notes Due 2014 (the “Class C Notes” and, together with the Class B Notes, Class A Notes, the Class C Notes and the Class C Notes, the “Co-Issued Notes” or the “Secured Notes”) pursuant to an Indenture (the “Indenture”) dated on or about March 20, 2007, among the Issuers and Lasalle Bank National Association, as trustee and settlement agent immediately (in such capacity, the “Trustee” and the “Securities Indenture” respectively).

In addition, the Issuer will issue U.S.$10,000,000 principal amount of Income Notes Due 2007 (the “Income Notes” and, together with the Second Notes, the “Notes”) pursuant to a Fiscal Agency Agreement dated on or about March 20, 2007 (the “Fiscal Agency Agreement”) between the Issuer and Lasalle Bank National Association, as fiscal agent (in such capacity, the “Fiscal Agent”).

The net proceeds received from the offering of the Notes will be applied by the Issuer to purchase the initial Collateral Securities (as defined herein) and certain Eligible Investments (as defined herein) selected by the Credit Protection Buyer (as defined herein). The Collateral Securities and Eligible Investments (collectively, the “Collateral”), together with the Delivered Obligations (as defined herein), if any, delivered to the Issuer will secure the Issuer’s obligations under a default swap transaction (the “Credit Default Swap”) to be entered into on the Closing Date by the Issuer and Goldman Sachs International (in such capacity, the “Credit Protection Buyer”) pursuant to which the Issuer (in such capacity, the “Credit Protection Seller”) will sell credit protection to the Credit Protection Buyer with respect to a portfolio (the “Reference Portfolio”) of Reference Obligations (as defined herein) consisting of Residential Mortgage-Backed Securities (as defined herein) and CDO Notes Securities (as defined herein).

Certain summary information about the Reference Portfolio is set forth in Appendix B to this Offering Circular. The Collateral Securities, Eligible Investments, the Delivered Obligations, the Issuer’s rights under the Securities Indenture and certain other assets of the Issuer (collectively, the “Pledged Assets”) will be pledged under the Indenture to the Trustee, for the benefit of the Secured Parties (as defined herein), as security for, among other obligations, the Issuer’s obligations under the Notes and to certain service providers. The Income Notes will be unsecured obligations of the Issuer.

Interest will be payable on the Class A Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class C Notes in arrears on the 12th day of each calendar month, or if any such day is not a Business Day, on the immediately following Business Day (each date, a “Monthly Payment Date”) commencing July 12, 2007. The Class B Notes will bear interest at a per annum rate equal to LIBOR plus 0.25% for each Interest Accrual Period (as defined herein). The Class A-1a Notes will bear interest at a per annum rate equal to LIBOR plus 0.33% for each Interest Accrual Period. The Class A-1b Notes will bear interest at a per annum rate equal to LIBOR plus 0.45% for each Interest Accrual Period. The Class A-2 Notes will bear interest at a per annum rate equal to LIBOR plus 0.50% for each Interest Accrual Period. The Class C Notes will bear interest at a per annum rate equal to LIBOR plus 0.75% for each Interest Accrual Period. The Class D Notes will bear interest at a per annum rate equal to LIBOR plus 0.90% for each Interest Accrual Period. Interest will be paid on the Income Notes on the 12th day of each January, April, July and October of each year, or if any such day is not a Business Day, the immediately following Business Day (each such date, a “Monthly Payment Date”) commencing July 12, 2007. The net proceeds available are estimated, as described herein. "Payment Date" means (i) with respect to each Class of Notes other than the Income Notes, each Monthly Payment Date, and (ii) with respect to the Income Notes, each Quarterly Payment Date.

All payments on the Notes will be made from proceeds available in accordance with the Priority of Payments. On each Payment Date, except as otherwise provided in the Priority of Payments, payments on the Class 2

Confidential Treatment Requested by Goldman Sachs
S Notes will be senior to payments on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; payments on the Class A Notes will be made in accordance with the Priority of Payments either pro rata or sequentially and will be senior to payments on the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; payments on the Class B Notes will be senior to payments on the Class C Notes, the Class D Notes and the Income Notes; payments on the Class C Notes will be senior to payments on the Class D Notes and the Income Notes; and payments on the Class D Notes will be senior to payments on the Income Notes, in each case in accordance with the Priority of Payments as described herein. Certain of the Secured Notes (other than the Class S Notes) are subject to mandatory redemption and are subject to reduction, in whole or in part, if a Cushion Test is not satisfied on any date of determination which may result in variations to the order of distributions described above and as more fully described in the Priority of Payments.

The Notes are subject to redemption, in each case, in whole and not in part, (i) at any time as a result of a Tax Redemption (as defined herein), (ii) on an Auction Payment Date (as defined herein) as a result of a successful Auction (as defined herein) or (iii) as a result of an Optional Redemption (as defined herein) on or after the July 2030 Payment Date. The stated maturity of the Notes (other than the Class S Notes) is the Payment Date in July 2042. The earliest date that the Notes will be paid in full is expected to occur substantially earlier. The stated maturity of the Class S Notes is the Payment Date in July 2033. See “Risk Factors—Notes—Average Lives, Distributions and Prepayment Considerations.”

The Notes (other than the Income Notes) sold in reliance on Rule 144A under the Securities Act (“Rule 144A”) will be evidenced by one or more global notes (the “Rule 144A Global Notes”) in fully registered form without coupon, deposited with a custodian, and registered in the name of, or a nominee of, The Depository Trust Company (“DTC”). Beneficial interests in the Rule 144A Global Notes will trade on DTC’s Same Day Pairs Settlement System, and secondary market trading activity in such interests will therefore settle in immediately available funds. Except as described herein, beneficial interests in the Rule 144A Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants. The Income Notes sold in reliance on Rule 144A under the Securities Act and, in the case of the Income Notes only, to Accredited Investors who have a net worth of not less than U.S. $10 million, will be evidenced by one or more Definitive Notes in fully registered form.

The Notes that are being offered hereby in reliance on the exemption from registration under Regulation S (collectively, the “Regulation S Notes”; and in the case of the Income Notes, the “Regulation S Income Notes”) have not been and will not be registered under the Securities Act and neither the Issuers nor the Investors will be registered under the Investment Company Act. The Regulation S Notes may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S) unless the purchaser certifies or is deemed to have certified that it is a qualified institutional buyer as defined in Rule 144A (a “Qualified Institutional Buyer”) and a “qualified purchaser” as defined in Section 3(c)(7) of the Investment Company Act (a “Qualified Purchaser”), and, in each case, in the form of an interest in a Rule 144A Global Note or a definitive Income Note, in an amount equal to at least U.S.$100,000. See “Description of the Notes” and “Underwriting.”

This Offering Circular (the “Offering Circular”) is confidential and is being furnished by the Issuers in connection with an offering exempt from registration under the Securities Act, solely for the purpose of enabling a prospective investor to consider the purchase of the Offered Notes described herein. The information contained in this Offering Circular has been provided by the Issuers and other sources identified herein. No representation or warranty, express or implied, is made by the Initial Purchaser, the Liquidation Agent, the Credit Protection Buyer, the Original Note Holders, the Original Note Holders’ Agent, the Fiscal Agent, the Income Note Transfer Agent (the Notes Agents, the Fiscal Agent and the Income Note Transfer Agent, together, the “Agents”) as to the accuracy or completeness of such information, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Initial Purchaser, the Trustee, the Liquidation Agent, the Credit Protection Buyer or the Agents. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offered Notes is prohibited. Each investor of the Offered Notes, by accepting delivery of this Offering Circular, agrees to the foregoing.

THE NOTES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912577
FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The distribution of this Offering Circular and the offering and sale of the Offered Notes in certain jurisdictions may be restricted by law. The Issuers and the Initial Purchaser revises persons into whose possession this Offering Circular comes to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offering and sales of the Offered Notes, see “Underwriting.” This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Offered Notes in any jurisdiction in which such offer or invitation would be unlawful.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

No invitation may be made to the public in the Cayman Islands to subscribe for the Notes.

NOTICE TO RESIDENTS OF THE REPUBLIC OF IRELAND

THIS OFFERING CIRCULAR IS NOT A PROSPECTUS AND DOES NOT CONSTITUTE AN INVITATION TO THE PUBLIC TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES AND NEITHER NOR ANY FORM OF APPLICATION WILL BE ISSUED, CIRCULATED OR DISTRIBUTED TO THE PUBLIC.

THIS OFFERING CIRCULAR AND THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND IS FOR THE USE SOLELY OF THE PERSON TO WHOM IT IS ADDRESSED. ACCORDINGLY, IT MAY NOT BE REPRODUCED IN WHOLE OR IN PART, NOR MAY ITS CONTENTS BE DISTRIBUTED IN WRITING OR ORALLY TO ANY THIRD PARTY, AND IT MAY BE READ SOLELY BY THE PERSON TO WHOM IT IS ADDRESSED AND HIS/her PROFESSIONAL ADVISORS.

In this Offering Circular, references to “U.S. Dollar,” “$” and “U.S.$” are to United States dollars.

The Issuers having made all reasonable inquiries, confirm that the information contained in this Offering Circular is true and correct in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make any such information or the expression of any such opinions or intentions misleading and, as applicable, take responsibility accordingly.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912579
NOTICE TO INVESTORS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

Each purchaser who has purchased Class S Notes, Class A Notes, Class B Notes, Class C Notes, or Class D Notes and Regulation S Income Notes, will be deemed to have represented and agreed, and each purchaser of Income Notes (other than the Regulation S Income Notes) will be required to represent and agree, in each case with respect to such Notes, as follows (words and phrases that are defined in Rule 144A or Regulation S are used herein as defined therein):

1. (a) In the case of Secured Notes sold in reliance on Rule 144A (the “Rule 144A Notes”), the purchaser of each Rule 144A Note (i) is a qualified institutional buyer (as defined in Rule 144A) (a “Qualified Institutional Buyer”), (ii) is aware that the sale of the Secured Notes to it is being made in reliance on Rule 144A, (iii) is acquiring the Secured Notes for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion, and, unless otherwise permitted by the Fiscal Agency Agreement in purchasing a principal amount of not less than $250,000 for the purchaser and for each such account and (iv) will provide notice of the transfer restrictions described in this “Notice to Investors” to any subsequent transferees.

(b) In the case of the Income Notes (other than the Regulation S Income Notes), the purchaser of each Income Note (i) is a Qualified Institutional Buyer, (ii) is aware that the sale of the Income Notes to it is being made in reliance on Rule 144A, (iii) is acquiring the Income Notes for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion, and, unless otherwise permitted by the Fiscal Agency Agreement in purchasing a principal amount of not less than $250,000 for the purchaser and for each such account and (iv) will provide notice of the transfer restrictions described in this “Notice to Investors” to any subsequent transferees, or, if the purchaser is not a Qualified Institutional Buyer, such purchaser (v) is a person who is an “accredited investor” (as defined in Rule 501(a) under the Securities Act) (an “Accredited Investor”) who has a net worth of not less than $50 million that is purchasing the Income Notes for its own account, (vi) is not acquiring the Income Notes with a view to any resale or distribution thereof, other than in accordance with the restrictions set forth below, (vii) is purchasing a principal amount of not less than $150,000 (unless otherwise permitted by the Fiscal Agency Agreement) and (viii) will provide notice of the transfer restrictions described in this “Notice to Investors” to any subsequent transferees.

2. The purchaser understands that the Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction, are being offered only in a transaction not involving any public offering, and may be reoffered, resold or pledged or otherwise transferred only (A) to a person to whom the purchaser reasonably believes is a Qualified Institutional Buyer and purchasing for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A, (ii) to a non-U.S. Person in an offshore transaction complying with Rule 902 or Rule 904 of Regulation S or (iii) solely in the case of the Income Notes, to an Accredited Investor who has a net worth of not less than $50 million, and, in each case, who shall have satisfied, and in the case of Income Notes (other than the Regulation S Income Notes) shall have represented, warranted, covered and agreed, or, in all other cases, shall be deemed to have satisfied, warranted, covered and agreed that it will continue to comply with, all requirements for transfer of the Notes specified in this Offering Circular, in the case of the Secured Notes, the Indenture, and, in the case of the Income Notes, the Fiscal Agency Agreement, and all other requirements for its purchase and transfer from registration under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States. Before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, the transferee will be required to provide the Note Transfer Agent with a written certification (in the form provided in the Indenture) as to compliance with the transfer restrictions described herein. Before any interest in an Income Note (other than a Regulation S Income Note) may be offered, sold, pledged or otherwise transferred, the transferee will be required to provide the Issuer, and, in the case of an Income Note, the Income Notes Transfer Agent, with a letter substantially in the form attached to this Offering Circular in Annex A-1 (the “Income Note Purchase and Transfer Letter”). The purchaser understands and agrees that any purported transfer of Notes to a purchaser that does not comply with the requirements of this paragraph (2) will, in the case of the Class S Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes and Regulation S Income Notes, be null and void.
Footnote Exhibits - Page 5679

inites, and, in the case of the Income Notes (other than the Regulation S Income Notes), not be permitted or regulated by the Income Notes Transfer Agent. The purchaser further understands that the Issuer have the right to compel any beneficial owner of Notes that is a U.S. Person and is not a Qualified Institutional Buyer or, in the case of the Income Notes, not an Accredited Investor, to sell its interest in such Notes, or the Issuer may sell such Notes on behalf of such owner.

3. The purchaser of such Notes also understands that neither of the issuers has been registered under the Investment Company Act. In the case of the Rule 144A Notes and the Income Notes (other than the Regulation S Income Notes) described in paragraph (7) above, the purchaser and each account for which the purchaser is acquiring such Notes is a qualified purchaser for the purposes of Section 3(c)(7) of the Investment Company Act (a "Qualified Purchaser"). The purchaser is acquiring Notes in a principal amount, in the case of Rule 144A Notes and, in the case of Income Notes sold to Accredited Investors, of not less than $250,000, or, in the case of Notes sold in reliance on Regulation S ("Regulation S Notes"), of not less than $100,000, in each case for the purchaser and for each such account. The purchaser (or if the purchaser is acquiring Notes for any account, each such account) is acquiring the Notes as principal for its own account for investment and not for resale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of investing in the Notes (except when each beneficial owner of the purchaser and each such account is a Qualified Purchaser), (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners, (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, in applicable, may designate the particular investments to be made and (d) is not a broker dealer that owns and invests on a discretionary basis less than $25,000,000 in securities of unaffiliated issuers. Further, the purchaser agrees with respect to itself and each such account: (i) that it shall not sell such Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes and (ii) that it shall not participate in any investment in the Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Notes. The purchaser understands and agrees that any purported transfer of Notes to a purchaser that does not comply with the requirements of this paragraph (1) will, in the case of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Regulation S Income Notes, be null and void of rights, and, in the case of the Income Notes (other than the Regulation S Income Notes), not be permitted or regulated by the Income Notes Transfer Agent. The purchaser further understands that the Issuer have the right to compel any beneficial owner of Notes that is a U.S. Person and is not a Qualified Purchaser to sell its interest in such Notes, or the Issuer may sell such Notes on behalf of such owner.

4. (a) With respect to the Class S Notes, Class A Notes, Class B Notes, Class C Notes and Class D Notes, each purchaser will be deemed, by its purchase, to have represented and warranted that either (i) the purchaser is not and will not be an "employee benefit plan" as defined in and subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), as person defined in and subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "Code"), any entity whose underlying assets include "plan assets" as defined in and subject to Title I of ERISA, or Section 4975 of the Code ("Similiar Law") or (ii) the purchaser's purchase of a Note does not and will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such another plan, any Similar Law) for which an exception is not available. The purchaser understands and agrees that any purported transfer of Notes to a purchaser that does not comply with the requirements of this paragraph (4)(a) shall be null and void ab initio.

(b) With respect to the Income Notes (other than the Regulation S Income Notes) purchased or transferred on or after the Closing Date, the purchaser or transferee must disclose in writing to advance to the Note Transfer Agent or for the Income Notes Transfer Agent, as applicable, (i) whether or not it is (A) an "employee benefit plan" as defined in and subject to Title I of ERISA, (B) a "plan" as defined in and subject to Section 4975 of the Code, or (C) an entity whose underlying assets include "plan assets" as defined in and subject to Section 4975 of the Code (or, in the case of another entity, any entity as defined in and subject to Section 4975 of the Code (or, in the case of another employee benefit plan subject to Similar Law, any Similar Law) for which an exception is not available. The purchaser understands and agrees that any purported transfer of Notes to a purchaser that does not comply with the requirements of this paragraph (4)(b) shall be null and void ab initio.
available or (v) solely in the case of Benefit Plan Investors, the purchase and holding of Income Notes is exempt under an identified Prohibited Transaction Class Exemption or individual exemption, based on the assumption that less than 25% of the Outstanding Income Notes are owned by Benefit Plan Investors, and (vi) whether or not it is the Issuer or any other person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Issuer, a person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Issuer, or any "affiliate" (within the meaning of 29 C.F.R. Section 2510.3-101(f)(3)) of any such person (a "Controlling Person"). If a purchaser is an insurance company acting on behalf of its general account or another entity deemed to be holding plan assets, it may be required to so indicate, and to identify a maximum percentage of the assets in such general account or entity that may be or become plan assets, in which case the purchaser will be required to make certain further agreements that would apply in the event that such maximum percentage would thereafter be exceeded. The purchaser agrees that, before any interest in an Income Note (other than a Regulation S Income Note) may be offered, sold, placed or otherwise transferred, the transferee will be required to provide the Income Notes Transfer Agent with an Income Notes Purchase and Transfer Letter, as applicable, stating, among other things, whether the transferee is a Benefit Plan Investor. The purchaser acknowledges and agrees that no purchase or transfer will be permitted, and the Note Transfer Agent or the Income Notes Transfer Agent, as applicable, will not register any such transfer, to the extent that the purchase or transfer would result in Benefit Plan Investors owning 25% or more of the total value of the Outstanding Income Notes immediately after such purchase or transfer (determined in accordance with the Indenture or Fiscal Agency Agreement, as applicable). The foregoing procedure is intended to enable the Income Notes (other than the Regulation S Income Notes) to be purchased or transferred to Benefit Plan Investors at any time, although no assurance can be given that there will not be circumstances in which purchases or transfers of Income Notes will be required to be restricted in order to comply with the aforementioned 25% limitation. See "ERISA Considerations." 

(c) With respect to the Regulation S Income Notes, each purchaser will be deemed, by its purchase, to have represented and warranted that it is not a Beneficiary Plan Investor or a Controlling Person. Each purchaser also will be deemed, by its purchase, to have represented and warranted that it is not an employee benefit plan subject to ERISA, then the purchase and holding of Income Notes do not and will not constitute or result in a violation of any Similar Law for which an exemption is not available. The purchaser understands and agrees that any purported transfer of a Note to a purchaser that does not comply with the requirements of this paragraph (c) shall be null and void in toto.

5. The purchaser is not purchasing the Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Notes involves certain risks, including the risk of loss of its entire investment in the Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Notes, including an opportunity to ask questions of, and request information from, the Issuer.

6. In connection with the purchase of the Notes: (i) none of the Issuer, the Initial Purchaser, the Liquidation Agent, the Trustee, the Agents, the Administrator or any of the Shareholders is acting as a fiduciary or financial or investment advisor for the purchaser; (ii) the purchaser is not relying for purposes of making any investment decision or otherwise upon any advice, opinion or representation (whether written or oral) of the Issuer, the Initial Purchaser, the Liquidation Agent, the Trustee, the Agents, the Administrator or the Shareholders other than in this Offering Circular for each Note and any representations expressly set forth in a written agreement with each party; (iii) none of the Issuer, the Initial Purchaser, the Liquidation Agent, the Trustee, the Agents, the Credit Protection Buyer, the Administrator or any of the Shareholders has given or given any advice, opinion or representation (whether written or oral) to the purchaser, its advisors, or any other person (other than any Indenture or Fiscal Agency Agreement), and any such advice, opinion or representation (whether written or oral) to the purchaser, its advisors, or any other person (other than any Indenture or Fiscal Agency Agreement) by any person (other than any Indenture or Fiscal Agency Agreement) based upon any advice from such advisors as it has deemed necessary and upon any other advice in toto, the Initial Purchaser, the Liquidation Agent, the Trustee, the Agents, the Credit Protection Buyer, the Administrator or the Shareholders; (iv) the purchaser has evaluated the notes, prices or amounts and other terms and conditions of the purchase and sale of the Notes with a full understanding of all of the risks thereof (economic and otherwise), and is

Confidential Treatment Requested by Goldman Sachs

GS M8S-E-000912582
7. Pursuant to the terms of the indenture, unless otherwise determined by the Issuers in accordance with the indenture, the Class S Notes, Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREEDS FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(i) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT IS NOT A BROKER-DEALER WHO OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25 MILLION IN SECURITIES THAT ARE NOT AFFILIATED PERSONS OF THE INITIAL PURCHASER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (b)(1)(i) OR (b)(1)(ii) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (b)(1)(iii) OF RULE 144A OR A PLAN THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (B) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 901 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (A), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (B), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000, FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (B) (I) IS A QUALIFIED PURCHASER FOR PURPOSES OF SECTION 4A(2) OF THE INVESTMENT COMPANY ACT, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THIS ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (III) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 20, 1996, (IV) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (V) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. EACH HOLDER HEREOF SHALL BE DEEMED TO MAKE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE (AS DEFINED HEREIN), ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUERS, THE NOTE TRANSFER AGENT OR ANY INTERMEDIARY. EACH TRANSFEREE OF THIS NOTE WILL PROVIDE A COPY OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUERS HAVE THE RIGHT UNDER THIS INDENTURE (AS DEFINED HEREIN), TO COMPLY WITH ANY eigenen of an interest in a Rule 144A Global Note (as defined in the Indenture) that is a U.S. person and is not both a qualified purchaser and a qualified institutional buyer to sell its interest in the Notes, or may sell such interests on behalf of such owner.
THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUERS THAT EITHER (A) THE HOLDER IS NOT AND WILL NOT BE AN EMPLOYEE BENEFIT PLAN AS DEFINED IN AND SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN DEFINED IN AND SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR OTHER PLAN'S INVESTMENT IN THE ENTITY, OR ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 409 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") OR (B) THE HOLDER'S PURCHASE AND HOLDING OF A NOTE DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF SUCH ANOTHER PLAN, ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE. ANY PURPORTED TRANSFER OF A NOTE TO A HOLDER THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL BE NULL AND VOID AB INITIO.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, Cede & Co., Has AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF Cede & Co. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO Cede & Co.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE NOTE PAYING AGENT.

8. The purchaser acknowledges that it is its intent and that it understands it is in the intent of the Issuer that, for purposes of U.S. federal income, state and local income and franchise tax and any other income taxes, the Issuer will be treated as a corporation, the Secured Notes will be treated as indebtedness of the Issuer and the income Notes will be treated as equity in the Issuer, the purchaser agrees to such treatment and agrees to take no action inconsistent with such treatment.

9. The purchaser understands that the Issuer, the Trustee, the Initial Purchaser, the Liquidation Agent and their counsel will rely upon the accuracy and truth of the foregoing representations, and the purchaser hereby consents to such reliance.

10. Pursuant to the terms of the Fiscal Agency Agreement, unless otherwise determined by the Issuer in accordance with the Fiscal Agency Agreement, the Income Notes sold to non-U.S. Persons in offshore transactions (the "Regulation S Income Notes") will bear a legend to the following effect:

THE INCOME NOTES ARE THE SUBJECT OF, AND ARE ISSUED SUBJECT TO THE TERMS AND CONDITIONS OF, THE FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT MARCH 20, 2007 (THE "FISCAL AGENCY AGREEMENT") BY AND BETWEEN THE ISSUER OF THE INCOME NOTES AND THE TRUSTEE.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912594
Footnote Exhibits - Page 5883

THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREBY, BY PURCHASING THE INCOME NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH INCOME NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOSE REASONABLE BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, (2) TO AN ACQUIRED INVESTOR AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, OR (3) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 902 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN THE CASE OF CLAUSE (1) AND (2) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $500,000 OR IN THE CASE OF CLAUSE (3) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000. FURTHERMORE, THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (3) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IF (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 10A(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), OR (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS IN A DISCRETIONARY BASIS LESS THAN U.S.$2,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, IN EACH CASE AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (A), IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURCHASE TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE INCOME NOTES TRANSFER AGENT. EACH TRANSFEREE OF THE INCOME NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT, AND IN THE FORM TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPULSRY ANY BENEFICIAL OWNER OF AN INCOME NOTE THAT IS A U.S. PERSON IS A QUALIFIED PURCHASER, AND (B) EITHER A QUALIFIED INSTITUTIONAL BUYER OR AN ACQUIRED INVESTOR WHOSE NET WORTH OF NOT LESS THAN U.S.$10 MILLION TO SELL SUCH INCOME NOTES, OR MAY SELL SUCH INCOME NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF INCOME NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OR (A)(2) OF THE FOREGOING PARAGRAPHS, THE TRANSFEREE OF THE INCOME NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE FISCAL AGENT AN INCOME NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEROR IS TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, OR (Y) AN ACQUIRED INVESTOR (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION AND (Z) A QUALIFIED PURCHASER FOR THE PURPOSES

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912585
OF THE INVESTMENT COMPANY ACT AND (2) RECEIVE ONE OR MORE DEFINITIVE INCOME
NOTES.

IF THE TRANSFER OF INCOME NOTES IS TO BE MADE PURSUANT TO CLAUSE (A) OF THE
SECOND PRECEDING PARAGRAPH, THE TRANSFEREE OF THE INCOME NOTES WILL BE
REQUIRED TO DELIVER TO THE ISSUER AND THE FISCAL AGENT AN INCOME NOTES
PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE
FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE
IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S).

WITH RESPECT TO THE INCOME NOTES PURCHASED OR TRANSFERRED AFTER THE
CLOSING DATE, THE PURCHASER OR TRANSFEREE IS DEEMED TO REPRESENT AND
WARRANT, THAT (i) IT IS NOT (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN AND
SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY
ACT OF 1974, AS AMENDED (“ERISA”), (B) A “PLAN” AS DESCRIBED IN SECTION 479 OF THE
UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (C)
AN ENTITY WHOSE ASSETS INCLUDE “PLAN ASSETS” WITHIN THE MEANING OF ERISA BY
REASON OF AN EMPLOYEE BENEFIT PLAN’S OR OTHER PLAN’S INVESTMENT IN THE
ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C)
BEING REFERRED TO HEREIN AS “BENEFIT PLAN INVESTORS”); AND (ii) IT IS NOT A
PERSON WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE
ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE
(DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY
“AFFILIATE” (WITHIN THE MEANING OF 17 CFR. SECTION 210.2-101(C)) OF ANY SUCH
PERSON. IF THE PURCHASER OR TRANSFEREE IS AN EMPLOYEE BENEFIT PLAN SUBSCRIBER
TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO
THE PROVISIONS OF SECTION 46 OF ERISA OR SECTION 479 OF THE CODE (“SIMILAR
LAWS”), SUCH PURCHASER OR TRANSFEREE ALSO IS DEEMED TO REPRESENT AND
WARRANT THAT ITS PURCHASE AND HOLDING OF THE INCOME NOTES WILL NOT
CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW FOR WHICH AN
EXEMPTION IS NOT AVAILABLE. ANY PURCHASED TRANSFER OF AN INCOME NOTE THAT
DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL BE NULL AND
VOID AB INITIO.

PAYMENTS TO THE HOLDERS OF THE INCOME NOTES ARE SUBORDINATE TO THE
PAYMENT ON EACH QUARTERLY PAYMENT DATE OF PRINCIPAL AND INTEREST ON
THE SECURED NOTES OF THE ISSUER OR CO-ISSUER, AS APPLICABLE, AND THE PAYMENT
OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

11. Pursuant to the terms of the Fiscal Agency Agreement, unless otherwise determined by the Issuer
in accordance with the Fiscal Agency Agreement, the Income Notes (other than the Regulation S Income Notes) will
be a legend to the following effect:

THE INCOME NOTES ARE THE SUBJECT OF, AND ARE ISSUED SUBJECT TO THE TERMS AND
CONDITIONS OF, THE FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT MARCH 20, 2007
(THE “FISCAL AGENCY AGREEMENT”) BY AND BETWEEN THE ISSUER AND LASALLE BANK NATIONAL ASSOCIATION, AS FISCAL AGENT. COPIES OF THE
FISCAL AGENCY AGREEMENT MAY BE OBTAINED FROM THE FISCAL AGENT.

THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED
STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THE
INCOME NOTES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF
1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). THE HOLDER HEREBY, BY
PURCHASING THE INCOME NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF
THE ISSUER THAT SUCH INCOME NOTES MAY BE OFFERED, SOLD, PLEDGED OR
OTHERWISE TRANSFERRED, ONLY (A)(I) TO A PERSON WHO THE SELLER REASONABLY

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0000122886
BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (O) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501A) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN $10,000,000 IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (O) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (O) (I) AND (O) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $25,000 OR IN THE CASE OF CLAUSE (O) (I) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000. FURTHERMORE, THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (A)(II) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (I) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 4(2) OF THE INVESTMENT COMPANY ACT, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER, (III) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 19, 1996, (IV) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS IN A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (V) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY RESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND, IN EACH CASE, IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (O) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE INCOME NOTES TRANSFER AGENT. EACH TRANSFEROR OF THE INCOME NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF AN INCOME NOTE THAT IS A U.S. PERSON AND IS NOT (A) A QUALIFIED PURCHASER AND (O) EITHER A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION TO SELL SUCH INCOME NOTES, OR MAY SELL SUCH INCOME NOTES ON BEHALF OF SUCH OWNER.


Confidential Treatment Requested by Goldman Sachs

OS MBS-E-000912587
WITH RESPECT TO THE INCOME NOTES PURCHASED OR TRANSFERRED ON OR AFTER THE CLOSING DATE, THE PURCHASER OR TRANSFEREE MUST DISCLOSE IN WRITING IN ADVANCE TO THE FISCAL AGENT (I) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN AND SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) A "PLAN" DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERIOR REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DISCLOSED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); (II) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR (OR ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL, OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAWS"), THAT THE PURCHASE AND HOLDING OR TRANSFER AND HOLDING OF INCOME NOTES WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO SIMILAR LAW, ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE, AND (II) WHETHER OR NOT IT IS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-10(b)(3)) OF ANY SUCH PERSON, IF A PURCHASER IS AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT OR OTHER ENTITY DESIGNED TO BE HOLDING PLAN ASSETS, IT WILL BE PERMITTED TO SO INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF THE ASSETS IN SUCH GENERAL ACCOUNT OR ENTITY THAT MAY BE OR BECOME PLAN ASSETS, IN WHICH CASE THE PURCHASER OR TRANSFEREE WILL BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREES THAT, BEFORE ANY INTEREST IN AN INCOME NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE INCOME NOTES TRANSFER AGENT WITH AN INCOME NOTE PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR, THE TRUSTEE OR INCOME NOTES TRANSFER AGENT WILL NOT PERMIT OR REGISTER ANY PURCHASE OR TRANSFER OF INCOME NOTES TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE TOTAL VALUE OF THE OUTSTANDING INCOME NOTES (OTHER THAN THE INCOME NOTES OWNED BY THE LIQUIDATION AGENT, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH THE PLAN ASSET REGULATION (AS DEFINED HEREIN) AND IN THE FISCAL AGENCY AGREEMENT).

PAYMENTS TO THE HOLDERS OF THE INCOME NOTES ARE SUBORDINATE TO THE PAYMENT ON EACH QUARTERLY PAYMENT DATE OF PRINCIPAL AND INTEREST ON THE SECURED NOTES OF THE ISSUER OR CO-ISSUER, AS APPLICABLE, AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

12. The purchaser is not purchasing the Notes in order to defer any United States federal income tax liability or pursuant to a tax avoidance plan with respect to United States federal income taxes within the meaning of U.S. Treasury Regulation Section 1.881-3(a)(4).

13. The purchaser agrees, in the case of the Secured Notes, to treat the Notes as debt for United States federal, state and local income taxes and, in the case of the Income Notes, to treat such Income Notes as equity for United States federal, state and local income tax purposes.
14. The purchaser acknowledges that due to money-laundering requirements operating in the Cayman Islands, the Issuer and the Note Transfer Agent or the Income Notes Transfer Agent, as applicable, may require further identification of the purchaser before the purchase application can proceed. The Issuer and the Note Transfer Agent or the Income Notes Transfer Agent shall be held harmless and indemnified by the purchaser against any loss arising from the failure to process the application if such information as has been required from the purchaser has not been provided by the purchaser.

The Notes that are being offered hereby in reliance on the exemption from registration under Regulation S (such Notes, respectively, the "Registration S Notes") and, collectively, the "Registration S Notes") have not been and will not be registered under the Securities Act and neither of the Issuers will be registered under the Investment Company Act. The Registration S Notes may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S) unless the purchaser certifies or is deemed to have certified that it is a qualified institutional buyer as defined in Rule 144A (a "Qualified Institutional Buyer") and a "qualified purchaser" for the purposes of Section 4(1) of the Investment Company Act (a "Qualified Purchaser") or (ii) in the case of the Income Notes, that it is an "accredited investor" as defined in Rule 501(a) under the Securities Act (an "Accredited Investor") who has a net worth of not less than $10 million and a Qualified Purchaser, and takes delivery in the form of either (i) an interest in a Rule 144A Global Note in an amount at least equal to $250,000. See "Description of the Notes" and "Underwriting.

The requirements set forth under "Notice to Investors" above apply only to Notes offered in the United States, except for the requirements set forth in Paragraphs (4), (5), (6), (8), (9), (12) and (13) and except that the Registration S Notes will bear the legends set forth in Paragraphs (7) and (10) under "Notice to Investors" above.


EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR PURCHASES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE OF SUCH NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUERS, THE INITIAL PURCHASER, THE LIQUIDATION AGENT, THE CREDIT PROTECTION BUYER OR THEIR AGENTS SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.
AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with the resale of the Notes, the Issuer will be required under the Indenture and the Fiscal Agency Agreement, to furnish upon request to a Holder or beneficial owner of a Note and a prospective investor who is a Qualified Institutional Buyer designated by such Holder or beneficial owner, the information required to be delivered under Rule 144A under the Exchange Act. If, at the time of the request, the Issuer or the Co-Issuer, as applicable, is a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act").

To the extent the Issuer or the Trustee delivers any annual or other periodic report to the Holders of the Secured Notes, the Issuer or the Trustee will include in such report a reminder that (i) each Holder (other than those Holders who are not U.S. Persons and have purchased their Notes outside the United States pursuant to Regulation S) is required to be (a) a Qualified Institutional Buyer and (b) a Qualified Purchaser, in such case that can make all of the representations in the indenture applicable to a Holder that is a U.S. Person, (2) the Notes can only be transferred (i) to a transferee that is (a) a Qualified Institutional Buyer and (b) a Qualified Purchaser that can make all of the representations in the indenture applicable to a Holder that is a U.S. Person or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 under Regulation S, and (3) the Issuer has the right to cancel any Holder who does not meet the transfer restrictions set forth in the indenture to transfer its interest in the Notes to a person designated by the Issuer or sell such interests on behalf of the Holder.

To the extent the Issuer or the Fiscal Agent delivers any annual or periodic reports to the Holders of the Income Notes, the Issuer or the Fiscal Agent, as applicable, will include in such report a reminder that (i) each Holder (other than those Holders who are not U.S. Persons and have purchased their Income Notes outside the United States pursuant to Regulation S) is required to be (a) a Qualified Institutional Buyer or an Accredited Investor who has a net worth of not less than U.S.$10 million and (b) a Qualified Purchaser that can make all of the representations in the Income Notes Purchase and Transfer Letter applicable to a Holder that is a U.S. Person; (2) the Income Notes can only be transferred to a transferee (i) a Qualified Institutional Buyer or an Accredited Investor who has a net worth not less than U.S.$10 million and (b) a Qualified Purchaser or (ii) a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 under Regulation S, and (3) the Issuer has the right to cancel any Holder who does not meet the transfer restrictions set forth in the Fiscal Agency Agreement to transfer its Income Notes to a person designated by the Issuer or sell such Income Notes on behalf of the Holder.

In addition, notwithstanding the foregoing, any prospective purchaser (and each employee, representative, or other agent of a prospective purchaser) may disclose to any and all persons, without limitation of any kind (including employees or other tax advisors) that are provided to the prospective purchaser relating to such act (tax) transactions and tax structure of the transactions described in this Offering Circular and all materials of any kind (including opinions or other tax analyses) that are provided to the prospective purchaser relating to such act (tax) transactions and tax structure. This acknowledgement of tax disclosure is retroactively effective to the commencement of discussions with the prospective purchaser regarding the transactions contemplated herein.
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVAILABLE INFORMATION</td>
</tr>
<tr>
<td>TRANSACTION OVERVIEW</td>
</tr>
<tr>
<td>SUMMARY</td>
</tr>
<tr>
<td>RISK FACTORS</td>
</tr>
<tr>
<td>Notes</td>
</tr>
<tr>
<td>The Credit Default Swap and Reference Obligations</td>
</tr>
<tr>
<td>Other Considerations</td>
</tr>
<tr>
<td>DESCRIPTION OF THE NOTES</td>
</tr>
<tr>
<td>Status and Security</td>
</tr>
<tr>
<td>Interest on the Secured Notes</td>
</tr>
<tr>
<td>Determination of LIBOR</td>
</tr>
<tr>
<td>Payments on the Income Notes</td>
</tr>
<tr>
<td>Principal</td>
</tr>
<tr>
<td>Scheduled Redemption of Income Notes</td>
</tr>
<tr>
<td>Auction</td>
</tr>
<tr>
<td>Tax Redemption</td>
</tr>
<tr>
<td>Optional Redemption</td>
</tr>
<tr>
<td>Mandatory Redemption</td>
</tr>
<tr>
<td>Cancellation</td>
</tr>
<tr>
<td>Payments</td>
</tr>
<tr>
<td>Amortization Amounts</td>
</tr>
<tr>
<td>Priority of Payments</td>
</tr>
<tr>
<td>Income Notes</td>
</tr>
<tr>
<td>The Indenture</td>
</tr>
<tr>
<td>Fiscal Agency Agreement</td>
</tr>
<tr>
<td>Governing Law of the Transaction Documents</td>
</tr>
<tr>
<td>Form of the Notes</td>
</tr>
<tr>
<td>USE OF PROCEEDS</td>
</tr>
<tr>
<td>RATINGS OF THE NOTES</td>
</tr>
<tr>
<td>Moody's Ratings</td>
</tr>
<tr>
<td>S&amp;P Ratings</td>
</tr>
<tr>
<td>THE CREDIT DEFAULT SWAP</td>
</tr>
<tr>
<td>General</td>
</tr>
<tr>
<td>Credit Protection Buyer Payments</td>
</tr>
<tr>
<td>Credit Protection Seller Payments</td>
</tr>
<tr>
<td>Credit Events</td>
</tr>
<tr>
<td>The Reference Portfolio</td>
</tr>
<tr>
<td>Removal of Reference Obligations from the Reference Portfolio</td>
</tr>
<tr>
<td>Credit Default Swap Early Termination</td>
</tr>
<tr>
<td>Payments on Credit Default Swap Early Termination</td>
</tr>
<tr>
<td>Amendment</td>
</tr>
<tr>
<td>Guarantee</td>
</tr>
</tbody>
</table>

Confidential Treatment Pertained to by Goldman Sachs

GS MBS-E-000012591
<table>
<thead>
<tr>
<th>SECTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE CREDIT PROTECTION BUYER</td>
<td>88</td>
</tr>
<tr>
<td>THE COLLATERAL SECURITIES</td>
<td>89</td>
</tr>
<tr>
<td>The Initial Collateral Securities</td>
<td>89</td>
</tr>
<tr>
<td>Substitution of Collateral Securities</td>
<td>90</td>
</tr>
<tr>
<td>Voting and Other Matters Relating to Collateral Securities and Delivered Obligations</td>
<td>91</td>
</tr>
<tr>
<td>THE LIQUIDATION AGENCY AGREEMENT</td>
<td>92</td>
</tr>
<tr>
<td>General</td>
<td>92</td>
</tr>
<tr>
<td>The Liquidation Agent</td>
<td>92</td>
</tr>
<tr>
<td>Compensation</td>
<td>92</td>
</tr>
<tr>
<td>Procedure for Disposition of CDS Transaction, Eligible Investments, Collateral Securities and Delivered Obligations</td>
<td>93</td>
</tr>
<tr>
<td>Termination, Removal and Resignation</td>
<td>93</td>
</tr>
<tr>
<td>ACCOUNTS</td>
<td>95</td>
</tr>
<tr>
<td>REPORTS</td>
<td>97</td>
</tr>
<tr>
<td>WEIGHTED AVERAGE LIFE AND YIELD CONSIDERATIONS</td>
<td>97</td>
</tr>
<tr>
<td>THE ISSUERS</td>
<td>101</td>
</tr>
<tr>
<td>General</td>
<td>101</td>
</tr>
<tr>
<td>Capitalization of the Issuer</td>
<td>102</td>
</tr>
<tr>
<td>Capitalization of the Co-Issuer</td>
<td>102</td>
</tr>
<tr>
<td>Flow of Funds</td>
<td>103</td>
</tr>
<tr>
<td>Business</td>
<td>103</td>
</tr>
<tr>
<td>Directors</td>
<td>104</td>
</tr>
<tr>
<td>INCOME TAX CONSIDERATIONS</td>
<td>104</td>
</tr>
<tr>
<td>Circular 219</td>
<td>104</td>
</tr>
<tr>
<td>United States Tax Considerations</td>
<td>104</td>
</tr>
<tr>
<td>U.S. Federal Income Tax Consequences to the Issuer</td>
<td>105</td>
</tr>
<tr>
<td>Non-U.S. Holders</td>
<td>107</td>
</tr>
<tr>
<td>United States Tax Treatment of Holders of Income Notes</td>
<td>107</td>
</tr>
<tr>
<td>Capital Gains Tax Considerations</td>
<td>109</td>
</tr>
<tr>
<td>ERSIA CONSIDERATIONS</td>
<td>110</td>
</tr>
<tr>
<td>Class A Notes, Class A Notes, Class B Notes, Class C Notes and Class D Notes</td>
<td>111</td>
</tr>
<tr>
<td>CERTAIN LEGAL INVESTMENT CONSIDERATIONS</td>
<td>113</td>
</tr>
<tr>
<td>LEGAL MATTERS</td>
<td>113</td>
</tr>
<tr>
<td>UNDERWRITING</td>
<td>114</td>
</tr>
<tr>
<td>INDEX OF DEFINED TERMS</td>
<td>117</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs
| APPENDIX A | Certain Defined Terms .................................................. A-1 |
| APPENDIX B | Reference Portfolio .......................................................... B-1 |
| ANNEX A-1  | Form of Income Notes Purchase And Transfer Letter ............. A-1-1 |

Confidential Treatment Requested by Goldman Sachs
TRANSACTION OVERVIEW

This overview is not complete and is qualified in its entirety by reference to (i) the detailed information appearing elsewhere in this Offering Circular, (ii) the terms and conditions of the Notes and (iii) the provisions of the documents referred to in this Offering Circular.

1. **Credit Default Swap**

   - Fixed Payments
   - Credit Protection Payments
   - Interest at the Applicable Note Interest Rate of each Class of Notes
   - Proceeds of the Notes

2. **Notes**

   - Net Proceeds
   - Collateral Securities
   - Collateral Interest and Certain Principal Amounts and Amounts Applied to Fund Amounts Due under the Credit Default Swap and the Notes

3. **Additional Details**

   (1) On the Closing Date, the Notes will be issued in the Aggregate Outstanding Amount set forth in the "Summary—The Notes".

   (2) The Issuer will use the net proceeds of the offering of the Notes to purchase the initial Collateral Securities and Eligible Investments selected by the Credit Protection Buyer.

   (3) On the Closing Date, the Issuer and Goldman Sachs International, as the Credit Protection Buyer, will enter into the Credit Default Swap whereby the Issuer (a) sells credit protection to the Credit Protection Buyer with respect to a Reference Portfolio of RMBS Securities and (b) receives from the Credit Protection Buyer (i) a Fixed Payment on each Payment Date and (ii) various Additional Fixed Payments. The Issuer will pay to the Credit Protection Buyer (i) certain Additional Fixed Payments and (ii) following the occurrence of a Credit Event and the satisfaction of the Conditions to Settlement, an amount equal to the Physical Settlement Amount. For a description of all payments to be made under the Credit Default Swap, see "The Credit Default Swap—Credit Protection Buyer Payments" and "Credit Protection Seller Payments".

Confidential Treatment Requested by Goldman Sachs
SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Offering Circular. For definitions of certain terms used in this Offering Circular see “Appendix A — Certain Defined Terms” and for the location of the definitions of those and other terms, see “Index of Defined Terms.” For a discussion of certain factors to be considered in connection with an investment in the Notes, see “Risk Factors.”

The Issuers

Anderson Mezzanine Funding 2007-1, Ltd. (the “Issuer”) is an exempted company incorporated under the laws of the Cayman Islands for the sole purpose of (i) entering into and performing its obligations under, the Credit Default Swap, (ii) acquiring the Collateral Securities and the Eligible Investments, (iii) entering into and performing its obligations under the Liquidation Agency Agreement, (iv) co-issuing the Co-Issuer Notes, (v) issuing Income Notes and (vi) engaging in certain related transactions.

The Issuer will not have any assets other than (i) the Collateral Securities and the Eligible Investments (collectively, the “Collateral”), (ii) the Delivered Obligations, if any, and any principal payments received thereon, if any, delivered to the Issuer, (iii) the Issuer’s rights under the Credit Default Swap and the Liquidation Agency Agreement and (iv) certain other assets that will be pledged by the Issuer to the Trustee under the Indenture (the “Pledged Assets”), for the benefit of the Secured Parties, as security for, among other obligations, the Issuer’s obligations under the Secured Notes.

Anderson Mezzanine Funding 2007-1, Corp. (the “Co-Issuer” and, together with the Issuer, the “Issuers”) is a corporation formed under the laws of the State of Delaware for the sole purpose of co-issuing the Secured Notes.

The Co-Issuer will not have any assets (other than U.S.$10 of equity capital) and will not pledge any assets to secure the Secured Notes. The Co-Issuer will have no claim against the Issuer in respect of the Pledged Assets or otherwise.

The authorized share capital of the Issuer consists of 350 ordinary shares, par value U.S.$1.00 per share (“Issuer Ordinary Shares”), which have been issued. The Issuer Ordinary Shares and all of the outstanding common equity of the Co-Issuer will be held by Mapics Finance Limited, a licensed trust company incorporated in the Cayman Islands (the “Administrator”) as the trustee pursuant to the terms of a Declaration of Trust for the benefit of charitable and similar purposes (the “Trustee”).

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000012595
Footnote Exhibits - Page 5694

The Notes

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>A</th>
<th>A-1a</th>
<th>A-1b</th>
<th>A-2</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>Income Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul 12, 2007</td>
<td>Original Principal Amount</td>
<td>$12,400,000</td>
<td>$13,000,000</td>
<td>$13,800,000</td>
<td>$20,800,000</td>
<td>$20,400,000</td>
<td>$30,300,000</td>
<td>$40,000,000</td>
<td>$41,700,000</td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Stated Maturity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Maximum Extension Multiplier</td>
<td>$150,000,000</td>
<td>$160,000,000</td>
<td>$170,000,000</td>
<td>$200,000,000</td>
<td>$200,000,000</td>
<td>$200,000,000</td>
<td>$200,000,000</td>
<td>$200,000,000</td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Accrued Interest</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Applicable Investment Company Act of 1940 Regulation</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Initial Ratings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Moody’s</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>S&amp;P</td>
<td>AAA</td>
<td>AAA</td>
<td>AAA</td>
<td>AAA</td>
<td>AAA</td>
<td>AAA</td>
<td>AAA</td>
<td>AAA</td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Dated Interests</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Pricing Date</td>
<td>March 31, 2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Closing Date</td>
<td>March 31, 2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Initial Interest</td>
<td>1 Month LIBOR + 3.25%</td>
<td>1 Month LIBOR + 3.25%</td>
<td>1 Month LIBOR + 3.25%</td>
<td>1 Month LIBOR + 3.25%</td>
<td>1 Month LIBOR + 3.25%</td>
<td>1 Month LIBOR + 3.25%</td>
<td>1 Month LIBOR + 3.25%</td>
<td>1 Month LIBOR + 3.25%</td>
</tr>
<tr>
<td>Jul 12, 2007</td>
<td>Floating Rate</td>
<td>Floating</td>
<td>Floating</td>
<td>Floating</td>
<td>Floating</td>
<td>Floating</td>
<td>Floating</td>
<td>Floating</td>
<td>Floating</td>
</tr>
</tbody>
</table>

| Dates of Payment | May 19, 2011 |

(i) the 15th day of each month; or (ii) such day as a Business Day, the last such succeeding Business Day (beginning in July 2007) and at Stated Maturity (which, if Stated Payment Date is any Redemption Date)

| First Payment Date | July 12, 2007 |
| Record Date | Business Day prior to the applicable Payment Date for the 10th Business Day prior to the applicable Payment Date for Notes issued in $10,000 increments |

1. "Floating Rate" means, with respect to the Second Notes and any Payment Date, the period commencing on and including the immediately preceding Payment Date (or the Closing Date in the case of the first Interest Accrual Period) and ending on and including the day immediately preceding such Payment Date.

22. Confidential Treatment Requested by Goldman Sachs

GS MSS-E-000912596
The Indenture

On the Closing Date, the Issuer and the Co-Issuer will co-issue U.S.$2,490,000 principal amount of Class B Floating Rate Notes Due 2013 (the "Class B Notes"); U.S.$130,000,000 principal amount of Class A-1a Floating Rate Notes Due 2042 (the "Class A-1a Notes"); U.S.$130,000,000 principal amount of Class A-1b Floating Rate Notes Due 2042 (the "Class A-1b Notes"); and, together with the Class A-1a Notes, the Class A-1b Notes, the "Class A Notes", U.S.$45,500,000 principal amount of Class A-2 Floating Rate Notes Due 2042 (the "Class A-2 Notes"); and, together with the Class A-1b Notes, the Class A Notes, the "Class A Notes", U.S.$82,700,000 principal amount of Class B Floating Rate Notes Due 2042 (the "Class B Notes"); U.S.$16,700,000 principal amount of Class C Deferrable Floating Rate Notes Due 2043 (the "Class C Notes") and U.S.$11,099,000 principal amount of Class D Deferrable Floating Rate Notes Due 2043 (the "Class D Notes") and, together with the Class C Notes, the Class B Notes and the Class A Notes, the Co-Issuer (the "Co-Issuer") pursuant to an Indenture (the "Indenture") dated on or about March 20, 2007, among the Issuers and LaSalle Bank National Association, as trustee and as securities intermediary (in such capacity, the "Trustee" and the "Securities Intermediary", respectively). Under the Indenture, LaSalle Bank National Association will act as principal paying agent for the Notes (the "Principal Note Paying Agent"), as registrar (the "Note Registrar"), as calculation agent (the "Note Calculation Agent"), as transfer agent (the "Note Transfer Agent") and as paying agent for the Notes (the "Note Paying Agent") and, together with the Principal Note Paying Agent, the Note Registrar, the Note Calculation Agent, the Note Transfer Agent and the Note Paying Agent (if any), the "Note Agents".

The Fiscal Agency Agreement

On the Closing Date, the Issuer will also issue U.S.$20,935,000 principal amount of Income Notes Due 2042 (the "Income Notes" and, together with the Secured Notes, the "Notes") pursuant to a Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated on or about the Closing Date between the Issuer and LaSalle Bank National Association, as fiscal agent (in such capacity, the "Fiscal Agent"). The Fiscal Agent will initially be appointed as the Income Notes transfer agent (in such capacity, the "Income Notes Transfer Agent") and, together with the Fiscal Agent and the Note Agents, (the "Agents") under the Fiscal Agency Agreement. The Note Paying Agent, the Principal Note Paying Agent and any other paying agent appointed from time to time under the Indenture are collectively referred to as the "Note Paying Agents." The Note Paying Agents and the Fiscal Paying Agent are collectively referred to as the "Paying Agents." The Note Transfer Agent and the Income Notes Transfer Agent are collectively referred to as the "Transfer Agents." The Indenture, the Credit Default Swap, the Liquidation Agency Agreement, the Collateral Administration Agreement, the Administration Agreement and the Fiscal Agency Agreement are collectively referred to as the "Transaction Documents." Only the Secured Notes and the Income Notes (collectively, the "Offered Notes") are offered hereby.

Status of the Notes

The Co-Issued Notes will be limited recourse obligations of the Issuer. The Income Notes will be limited recourse obligations of the Issuer, will not be secured obligations of the Issuer and will only be entitled to receive amounts available for payment on any Quarterly Payment Date after payment of all amounts payable prior thereto under the Priority of Payments and only out of funds legally available therefor. Interest on the Class A-1a Notes, Class A-1b Notes and Class A-2 Notes will be paid pro rata. Principal on the Class A-1a Notes and Class A-1b Notes will be paid pro rata.
either pro rata or first to the Class A-1a Notes and second to the Class A-1b Notes and depending on the circumstances as more fully described in the Priority of Payments. Principal on the Class A Notes will be paid either pro rata or first to the Class A-1 Notes and second to the Class A-2 Notes depending on the circumstances as more fully described in the Priority of Payments. The Class 5 Notes will be senior in right of payment on each Payment Date to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; the Class A Notes will be paid in accordance with the Priority of Payments either pro rata or sequentially and the Class A Notes will be senior in right of payment on each Payment Date to the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes; the Class B Notes will be senior in right of payment on each Payment Date to the Class C Notes, the Class D Notes and the Income Notes; the Class C Notes will be senior in right of payment on each Payment Date to the Class D Notes and the Income Notes; and the Class D Notes will be senior in right of payment on each Payment Date to the Income Notes, each to the extent provided in the Priority of Payments.

Security for the Secured Notes... Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit of the holders of the Secured Notes, the Pledged Assets, the Liquidating Agent, and the Credit Protection Party (together the "Secured Parties"), to secure the Issuer’s obligations under the Secured Notes, the Indenture, the Liquidating Agency Agreement and the Credit Default Swap (the "Secured Obligations"), a first priority security interest in the Pledged Assets. The Secured Notes will not be secured.

Use of Proceeds... The net proceeds associated with the offering of the Notes issued on the Closing Date, after the payment of applicable fees and expenses and deposit into the Expense Reserve Account, are expected to equal approximately U.S.$1,035,000,000. The net proceeds will be used by the Issuer to purchase on the Closing Date the Collateral Securities and Related Investments having an aggregate Principal Balance on the Closing Date of approximately U.S.$1,035,000,000. See "The Collateral Securities" and "Use of Proceeds."

Interest and Other Payments on the Notes... The Secured Notes will accrue interest from the Closing Date and such interest will be payable on the 15th day of each calendar month, or if any such date is not a Business Day, the immediately following Business Day (such each such date, a "Monthly Payment Date") commencing on July 15, 2007. Payments on the Income Notes will be payable in arrears on January, April, July and October of each year, or if any such date is not a Business Day, the immediately following Business Day (such each such date, a "Quarterly Payment Date") commencing on July 15, 2007, out of Interest Accrued (as defined below). "Payment Date" means (i) with respect to each Class of Notes other than the Income Notes, each Monthly Payment Date, and (ii) with respect to the Income Notes, each Quarterly Payment Date. All payments on the Notes will be made from Proceeds in accordance with the Priority of Payments.
To the extent interest that is due is not paid on the Class C Notes on any Payment Date ("Class C Deferred Interest"), such unpaid amounts will be added to the principal amount of the Class C Notes, and shall accrue interest at the Class C Note Interest Rate to the extent lawful and enforceable. So long as any Class S Notes, Class A Notes or Class B Notes are outstanding, the failure to pay any interest on the Class C Notes on any Payment Date will not be an Event of Default under the Indenture. To the extent interest that is due is not paid on the Class D Notes on any Payment Date ("Class D Deferred Interest"), such unpaid amounts will be added to the principal amount of the Class D Notes, and shall accrue interest at the Class D Note Interest Rate to the extent lawful and enforceable. So long as any Class S Notes, Class A Notes, Class B Notes or Class C Notes are outstanding, the failure to pay any interest on the Class D Notes on any Payment Date will not be an Event of Default under the Indenture.

See "Description of the Notes—Interest on the Secured Notes" and "— Priority of Payments."

The Income Notes will not bear interest based upon any fixed or floating rate. The Fiscal Agent will make payments to the Holders of the Income Notes out of the Proceeds, if any, available pursuant to clause (wii) (or each Quarterly Payment Date (or pursuant to clause (wii) in the case of the Final Payment Date) under "Description of the Notes—Priority of Payments." Such payments will be made on the Income Notes only after all interest and other payments due on the Secured Notes have been made in full and all expenses of the Issuers have been paid (with any remaining Proceeds referred to as "Excess Amounts"). See "Risk Factors—Notes— Subordination of the Income Notes; Undrawn Obligations."

**Principal Payments**

The Notes (other than the Class S Notes) will mature on the Payment Date in July 2014 (such date the "Stated Maturity" with respect to each Note), and the Class S Notes will mature on the Payment Date in July 2013 (the "Stated Maturity" with respect to the Class S Notes), unless redeemed or retired prior thereto. The average life of the Secured Notes (other than the Class S Notes) is expected to be substantially shorter than the number of years from issuance until Stated Maturity for each Class of Notes. See "Description of the Notes—Principal" and "Risk Factors—Notes—Average Lives, Duration and Prepayment Considerations."

Principal will be payable on the Class S Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in August 2007 in an amount equal to the Class S Notes Amortizing Principal Amount with respect to each Payment Date and, if an Event of Default or Tax Event has occurred and is continuing or an Optional Redemption or Auction has occurred and the Pledged Assets are being liquidated pursuant to the terms of the Indenture, the Class S Notes will be paid in full prior to any distributions to any other Notes. Shifting principal will be payable (pursuant to clause (vi) of the Priority of Payments) on the Secured Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in July 2007 as described in the Priority of Payments.

As a result of the Priority of Payments, notwithstanding the subordination of the Notes described under "Statue of the Notes" above, the Class A Notes may be entitled to receive certain payments of principal while the Class S Notes are outstanding, the Class B Notes may be entitled to receive certain...
payments of principal while the Class E Notes and the Class A Notes are outstanding, the Class C Notes may be entitled to receive certain payments of principal while the Class S Notes, the Class A Notes and the Class B Notes are outstanding and the Class D Notes may be entitled to receive certain payments of principal while the Class S Notes, the Class A Notes, the Class B Notes and the Class C Notes are outstanding. In addition, the Income Notes may be entitled to receive certain payments on each Quarterly Payment Date while the Second Secured Notes are outstanding. See "Description of the Notes—Priority of Payments.

In addition, to the extent funds are available therefor in accordance with the Priority of Payments, certain of the Secured Notes (other than the Class S Notes) will be subject to mandatory redemption on any Payment Date if the Coverage Tests are not satisfied as described herein. See "Description of the Notes—Principal", "Mandatory Redemption" and "Priority of Payments."

Tax Redemption

Subject to certain conditions described herein, the Secured Notes will be redeemed from Liquidation Proceeds, in whole but not in part, on the 90th day (which 90-day period may be extended an additional 30 days, as described under "Description of the Notes—Tax Redemption") following the Issuer becoming aware of the occurrence of a Tax Event, at the written direction of, or with the written consent of, Holders of at least 50% of the Income Notes or Holders of at least a Majority of any Class of Second Notes (which, as a result of the occurrence of such Tax Event, have not received 100% of the aggregate amount of principal and interest or other amounts due and payable to such Holders (each redemption, a "Tax Redemption"). No such Tax Redemption will occur unless the expected Liquidation Proceeds equal or exceed the Total Redemption Amount. Upon the occurrence of a Tax Redemption, the Income Notes will be simultaneously redeemed. No such Tax Redemption will occur unless all amounts payable to the Credit Protection Buyer (including all Credit Default Swap Termination Payments) will have been paid in full, in each case, on the stated redemption date.

With respect to a Tax Redemption as described above, the Secured Notes will be redeemed at their Secured Note Redemption Prices, respectively, as described herein. The amount distributable to the Class E Notes, for the first payment on the Secured Notes following any Tax Redemption will equal the amount of the Liquidation Proceeds remaining after the redemption of the Secured Notes as full and final together with the payment of all other amounts required to be paid in accordance with the Priority of Payments. See "Description of the Notes—Tax Redemption."

Auction

Sixty (60) days prior to the Payment Date occurring in July of each year (the "Auction Date"), commencing on the July 2015 Payment Date, the Liquidation Agent, on behalf of the Issuer, shall take steps to conduct an auction (the "Auction") of the Credit Default Swap, the Eligible Investments (other than cash), the Delivered Obligations, if any, and the Collateral Securities in accordance with the procedures specified in the Indenture. If the Liquidation Agent receives one or more bids from Eligible Bidders not later than ten (10) Business Days prior to the Auction Date, each of which, when added to the cash on deposit in the Collateral Account, exceeds the Minimum Bid Amount, it will sell, assign, terminate
or otherwise dispose of the Credit Default Swap, the Eligible Investments (other than cash), the Delivered Obligations, if any, and the Collateral Securities on or before the Fifth Business Day prior to such Auction Date. The Secured Notes will be redeemed in whole or in part on such Auction Date (or such date, the “Auction Payment Date”). If a successful Auction occurs, the Income Notes will also be redeemed in full. If the highest single bid on the entire portfolio, or the aggregate amount of multiple bids with respect to individual Collateral Securities, Eligible Investments (other than cash) and Delivered Obligations when added with the other Liquidation Proceeds and cash on deposit in the Collateral Account, does not equal or exceed the Minimum Bid Amount or if there is a failure at settlement, the Credit Default Swap will not be terminated or assigned, the Eligible Investments (other than cash), Collateral Securities and the Delivered Obligations, if any, will not be sold and no redemption of Notes on the related Auction Date will occur.

Optional Redemption

The Secured Notes may be redeemed by the Issuers from Liquidation Proceeds, in whole but not in part, on any Payment Date on or after the Payment Date occurring in July 2015 (the “Optional Redemption Date”), at the written direction of, or with the written consent of the Holders of a Majority of the Income Notes (as “Optional Redemption”). If the Holders of the Income Notes so elect to cause an Optional Redemption of the Secured Notes, the Income Notes will also be redeemed.

In the event of an Optional Redemption, the Secured Notes will be redeemed at their Secured Note Redemption Prices as described herein.

No Secured Notes shall be redeemed pursuant to an Optional Redemption and a final payment to the Income Notes shall not be made unless the Aggregate Reference Obligations National Amount of the Credit Default Swap will be reduced to zero and the Liquidation Agent furnishes certain assurances that the Total Redemption Amount will be available for payment on the related Optional Redemption Date.

In the event of any redemption of the Secured Notes, the Fiscal Agent will receive for payment to the Holders of the Income Notes the remaining balance, if any, of funds in the Payment Account (net of all expenses of the Issuers after payment of the Secured Note Redemption Prices of the Secured Notes and the payment of all other amounts payable prior to payments to the Fiscal Agent) for payment to the Holders of the Income Notes pursuant to the Priority of Payments (the “Income Note Redemption Price”). See “Description of the Notes—Optional Redemption.”

Mandatory Redemption

On any Payment Date on which any Overcollateralization Test is not satisfied as of the preceding Determination Date certain of the Secured Notes (other than the Class B Notes) will be subject to mandatory redemption in accordance with the Priority of Payments, until the applicable Secured Notes have been paid in full (a “Mandatory Redemption”). The Class B Notes and the Income Notes are not subject to mandatory redemption as a result of the failure of any Coverage Test. See “Description of the Notes—Principal”, “—Mandatory Redemption” and “—Priority of Payments.”

Confidential Treatment Requested by Goldman Sachs
The following table identifies the Coverage Tests and the value at which such tests will be satisfied. See "Description of the Notes—Mandatory Redemption".

<table>
<thead>
<tr>
<th>Coverage Test</th>
<th>Ratio at Which Test is Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A/B Overcollateralization Test</td>
<td>equal to or greater than 110.9%</td>
</tr>
<tr>
<td>Class C Overcollateralization Test</td>
<td>equal to or greater than 109.9%</td>
</tr>
<tr>
<td>Class D Overcollateralization Test</td>
<td>equal to or greater than 105.9%</td>
</tr>
</tbody>
</table>

On the Closing Date, the Class A/B Overcollateralization Ratio is expected to be 110.9%, the Class C Overcollateralization Ratio is expected to be 111.7%, and the Class D Overcollateralization Ratio is expected to be 107.4%.

The Credit Default Swap

The Credit Default Swap will be structured as a "pay-as-you-go" credit default swap and will be documented pursuant to a 1998 ISDA Master Agreement (Multicurrency-Cross Border), including the Schedule thereto (the "Master Agreement"), along with two confirmations (each a "Master Confirmation") between the Issuer, as Credit Protection Seller, and Goldman Sachs International ("GS"), as the Credit Protection Buyer, evidencing a transaction with respect to each Reference Obligation in the Reference Portfolio thereunder (each such transaction, a "CDS Transaction").

Reference Obligation National Amount

Each CDS Transaction is expected to have a specified notional amount (the "Reference Obligation National Amount") which represents the dollar amount of the credit exposure which the Issuer is assuming thereunder with respect to the Reference Obligation related to such CDS Transaction. The "Aggregate Reference Obligation National Amount" is the sum of the aggregate Reference Obligation National Amounts of all CDS Transactions comprising the Reference Portfolio. On the Closing Date, the Issuer expects to enter into CDS Transactions with the Credit Protection Buyer referencing the Reference Obligations described herein and having an Aggregate Reference Obligation National Amount of approximately U.S.$305,000,000. In accordance with the terms of the Credit Default Swap, the Reference Obligation National Amount of a CDS Transaction is expected after the Closing Date to be:

(i) decreased on each day on which a Reference Obligation Principal Payment is made by the relevant Reference Obligation Principal Amortization Amount;

(ii) decreased on each day on which a failure to pay Principal occurs by the relevant Principal Shortfall Amount;

Confidential Treatment Requested by Goldman Sachs
(iii) decreased on each day on which a Write-down occurs by the relevant Write-down Amount;
(iv) increased on each day on which a Write-down Reimbursement occurs by any Write-down Reimbursement Amount in respect of a Write-down Reimbursement within paragraphs (ii) or (iii) of the definition of "Write-down Reimbursement"; and
(v) decreased on each Delivery Date by an amount equal to the relevant Exercise Amount minus the relevant amount determined pursuant to paragraph (b) under the heading "Physical Settlement Amount" in the related Master Confirmation; provided that, if any Relevant Amount is applicable, the Exercise Amount will also be deemed to be decreased by such Relevant Amount (or increased by the absolute value of such Relevant Amount if such Relevant Amount is negative) with effect from such Delivery Date.

Each CDS Transaction will terminate by its terms no later than the scheduled legal final maturity of the related Reference Obligation unless a Credit Event occurs or a Floating Amount becomes due with respect to such CDS Transaction and the physical settlement date is scheduled to occur after such date.

For a more detailed description of the Credit Default Swap, see "The Credit Default Swap." Copies of the Master Agreement and the Master Confirmations are available to investors from the Trustee.

On the Closing Date, the Credit Default Swap will reference (i) Reference Obligations (collectively, the "Reference Portfolio"). See Appendix B to this Offering Circular for certain summary information about the Reference Portfolio.

The types of (i) Residential Mortgage-Backed Securities that constitute Reference Obligations in the Reference Portfolio will include RMBS Multiclass Mortgage Securities and RMBS Subprime Mortgage Securities and (ii) CDO Securities that constitute Reference Obligations in the Reference Portfolio will include CDO RMBS Securities.

The following Credit Events (each a "Credit Event") shall apply with respect to each Reference Obligation:

(i) Failure to Pay Principal;
(ii) Write-down;
(iii) Distressed Ratings Downgrade; or
(iv) Failure to Pay Interest (in the case of RMBS Security Reference Obligations only).

See "The Credit Default Swap—Credit Events."

The "Conditions to Settlement" will be satisfied upon delivery to the Credit Protection Seller and the Trustee of a Credit Event Notice and a Notice of Publicly Available Information.
<table>
<thead>
<tr>
<th>Notifying Party</th>
<th>The Credit Protection Buyer.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Default Swap Calculation Agent</td>
<td>GI will be the calculation agent (in this capacity the &quot;Credit Default Swap Calculation Agent&quot;) under the Credit Default Swap.</td>
</tr>
<tr>
<td>Settlement Method</td>
<td>Physical.</td>
</tr>
<tr>
<td>Credit Default Swap Early Termination</td>
<td>The Credit Default Swap may be terminated by the Issuer or by the Credit Protection Buyer (a &quot;Credit Default Swap Early Termination&quot;) at the option of the non-defaulting or non-affected party, as applicable, upon the occurrence of an &quot;Event of Default&quot; or &quot;Termination Event&quot; (each, as defined in the Master Agreement). Upon the Issuer having actual knowledge of the occurrence of any event that gives rise to the right of the Issuer to terminate the Credit Default Swap, the Trustee or the Fiduciary Agent, as applicable, will promptly as practicable notify the Noteholders of such event but will only terminate any such agreement on behalf of the Issuer: (a) at the direction of a Majority of the Income Notes or (b) (i) upon the redemption of the Senior Notes in full, or (ii) if the principal balance of the Secured Notes is reduced to zero or (c) upon the acceleration of the maturity of the Secured Notes pursuant to the terms of the Indenture. The Issuer is required to satisfy the Rating Agency Condition prior to any (i) replacement of the Credit Protection Buyer or (ii) assignment of the Credit Default Swap.</td>
</tr>
<tr>
<td>The Collateral Securities</td>
<td>The Issuer will use the net proceeds from the offering of the Notes to purchase Collateral Securities and Eligible Investments having an initial principal amount as of the Closing Date of approximately U.S.$300,000,000. The Collateral Securities are required to have the characteristics and satisfy the criteria described herein under &quot;The Collateral Securities.&quot;</td>
</tr>
<tr>
<td>The Liquidation Agent, on behalf of the Issuer, will obtain the funds to pay Credit Protection Amounts (which, for the avoidance of doubt, will not include Default Swap Termination Payments) by applying the Collateral Liquidation Procedure.</td>
<td></td>
</tr>
<tr>
<td>If the Notes become due in connection with an Optional Redemption, Tax Redemption or Auction, (i) the Liquidation Agent, on behalf of the Issuer, will assign or terminate the Credit Default Swap and will Liquidate all of the Collateral Securities and Eligible Investments in the Collateral Account and all Derivatives Obligations in the Delivered Obligations Account and (ii) the Issuer will pay to the Credit Protection Buyer any Credit Protection Amounts and Credit Default Swap Termination Payments. The Issuer is required to pay to the Credit Protection Buyer or any assignee in connection with any assignment or termination of the CDS Transactions. Certain amounts will be held back if one or more outstanding Credit Events remain due as of the Redemption Date.</td>
<td></td>
</tr>
<tr>
<td>If the Credit Default Swap is terminated in connection with the occurrence of an Event of Default or Termination Event (each, as defined in the Master Agreement), the Liquidation Agent, on behalf of the Issuer, will pay to the</td>
<td></td>
</tr>
</tbody>
</table>
Credit Protection Buyers or any assignee any Credit Default Swap Termination Payments (which, without the avoidance of doubt, will exclude Default Swap Termination Payments) owed by the Issuer to the Credit Protection Buyer by applying the Collateral Liquidation Procedure. Certain amounts will be held back if one or more outstanding Credit Events occur or Floating Amounts remain due as of any termination date.

If a CDS Transaction terminates on its scheduled termination date without a Credit Event occurring, following the reduction of the Aggregate Reference Obligation Notional Amount, an amount equal to the Aggregate Amortization Amount (if any) is drawn from the Collateral Account pursuant to the Amortization Liquidation Procedure and deposited into the Payment Account to be applied to, among other things, reduce the amounts of the Notes in accordance with the Priority of Payments on the immediately following Payment Date.

See “The Collateral Securities”

Liquidation of Collateral

On or immediately prior to the final maturity date of the Notes or in connection with any Optional Redemption, Auction, Tax Redemption or Event of Default, the Liquidation Agent, on behalf of the Issuer, will (i) assign, terminate or otherwise dispose of (a) CDS Transactions the Reference Obligations of which are determined pursuant to the Collateral Administration Agreement by the Collateral Administrator, on behalf of the Issuer to be Credit Risk Obligations and (b) Delivered Obligations, (ii) sell, assign, terminate or otherwise dispose of the Credit Default Swap, Delivered Obligations, Collateral Securities and Eligible Investments of the Issuer in connection with (a) a redemption of the Notes as a result of an Optional Redemption, a Tax Redemption, an Auction or as otherwise required under the Indenture as described therein, (iii) (ii) perform certain other functions, as described herein. The Liquidation Agent will have twelve (12) months to assign, terminate or otherwise dispose of (a) CDS Transactions the Reference Obligations of which are determined pursuant to the Collateral Administration Agreement by the Collateral Administrator, on behalf of the Issuer, to be Credit Risk Obligations and (b) Delivered Obligations in accordance with the terms of the Liquidation Agency Agreement (each twelve months measured from the date the Liquidation Agent is notified of either (i) the determination by the Collateral Administrator or (ii) the receipt of any such Delivered Obligation by the Issuer, as applicable). The proceeds of any such sale of Delivered Obligations will be deposited by the Trustee into the Collateral Account and invested in Eligible Investments and Collateral Securities selected at the direction of the Liquidation Agent. In addition, any principal payments received as such Delivered Obligations

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912605
prior to such sale, will be deposited by the Trustee into the Collateral Account. The Liquidation Agent will not have the right, or the obligation, to exercise any discretion with respect to the method or the price of any assignment, termination or disposition of a CDS Transaction; the sole obligation of the Liquidation Agent will be to execute such assignment or termination of a CDS Transaction in accordance with the terms of the Liquidation Agency Agreement. Notwithstanding the appointment of the Liquidation Agent, the Liquidation Agent shall have no responsibility for, or liability relating to, the performance of the Issuer or any CDS Transaction, Reference Obligation, Collateral Security or Eligible Investment.

See "The Liquidation Agency Agreement."

Reports

A report will be made available to the Holders of the Notes and will provide information on the Reference Portfolio, Collateral Securities and payments to be made in accordance with the Priority of Payments (such, a "Note Valuation Report") beginning in July, 2007. See "Reports."

The Offering

The Offered Notes are being offered to non-U.S. Persons in offshore transactions in reliance on Regulation S, and in the United States to persons who are Qualified Institutional Buyers purchasing in reliance on the exemption from registration under Rule 144A or, with respect to Income Notes only, Accredited Investors purchasing in transactions exempt from registration under the Securities Act. Each purchaser who is a U.S. Person must also be a Qualified Purchaser. Each Accredited Investor must have a net worth of at least U.S.$10 million. See "Description of the Notes—Forms of the Notes,” “Underwriting” and “Notice to Investors.”

Minimum Denominations

The Notes will be issued in minimum denominations of U.S.$250,000 (in the case of the Rule 144A Notes and the Income Notes sold to Accredited Investors) and U.S.$100,000 (in the case of the Regulation S Notes) and integral multiples of U.S.$1 in excess thereof for each Class of Notes.

Form of the Notes

Each Class of Notes sold in offshore transactions in reliance on Regulation S will initially be represented by one or more temporary global notes (each, a “Temporary Regulation S Global Note”). Each Temporary Regulation S Global Note will be deposited with The Depository Trust Company ("DTC"), on behalf of the respective accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, société anonyme ("Clearstream"). Beneficial interests in a Temporary Regulation S Global Note may be held only through Euroclear or Clearstream and may not be held at any time by a U.S. Person ("U.S. Person") (as such term is defined in Regulation S under the Securities Act).

Each Class of Rule 144A Notes (other than the Income Notes) will be issued in the form of one or more global notes in fully registered form (the “Rule 144A Global Notes”) and, together with the Temporary Regulation S Global Notes and the Regulation S Global Notes, the “Global Notes”), deposited with DTC, and registered in the name of the Depositary Trust Company as custodian for, and registered in the name of Odyssey Trust Company, as nominee of DTC, which will credit the account of each of its participants with the principal amount of Notes being purchased by or through such participants. Beneficial interests in the

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5705

<table>
<thead>
<tr>
<th>Label</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 144A</td>
<td>Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTCC and its direct and indirect participants.</td>
</tr>
<tr>
<td>The Income Notes (other than the Regulation S Income Notes) will be evidenced by one or more notes in definitive, fully registered form, registered in the name of the owner thereof (such, a &quot;Definitive Note&quot;).</td>
<td></td>
</tr>
<tr>
<td>Beneficial interests in the Global Notes and the Definitive Notes may not be transferred except in compliance with the transfer restrictions described herein. See &quot;Description of the Notes—Form of the Notes&quot; and &quot;Notice to Investors.&quot;</td>
<td></td>
</tr>
<tr>
<td>Governing Law</td>
<td>The Indenture, the Collateral Administration Agreement, the Credit Default Swap, the Notes, the Liquidation Agency Agreement, and the Fiscal Agency Agreement will be governed by the laws of the State of New York.</td>
</tr>
<tr>
<td>Listing and Trading</td>
<td>There is currently no market for the Notes and there can be no assurance that such a market will develop. See &quot;Risk Factors—Notes—Limited Liquidity and Restrictions on Transfers.&quot; Application may be made to the Irish Stock Exchange for the Notes to be admitted to the official list of the Irish Stock Exchange and to trading on its regulated market. There can be no assurance that any such application will be made or that any such listing will be obtained or maintained.</td>
</tr>
<tr>
<td>Irish Listing Agent; Irish Paying Agent</td>
<td>If application is made to list the Notes on the Irish Stock Exchange, (i) Maples and Calder Listing Services Limited will be the Irish Listing Agent for the Notes (the &quot;Irish Listing Agent&quot;) and (ii) Maples Finance Dublin will be the Irish Paying Agent for the Notes (the &quot;Irish Paying Agent&quot;).</td>
</tr>
<tr>
<td>Tax Status</td>
<td>See &quot;Income Tax Considerations.&quot;</td>
</tr>
<tr>
<td>ERISA Considerations</td>
<td>See &quot;ERISA Considerations.&quot;</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MSB-E-000912607
RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider, in addition to the matters set forth elsewhere in this Offering Circular, the following factors:

Notes

Limited Liquidity and Restrictions on Transfer. There is currently no market for the Notes. Although CMM Co. has advised the Issuer that it intends to make a market in the Offered Notes, CMM Co. is not obligated to do so, and any such market making with respect to the Offered Notes may be discontinued at any time without notice. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Holders of the Notes with liquidity of investment or that it will continue for the life of such Notes and consequently a purchaser must be prepared to hold the Notes until the Stated Maturity.

In addition, no assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer, the Co-Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any similar legislation or regulatory action. Furthermore, the Notes will not be registered under the Securities Act or any state securities laws or the laws of any other jurisdiction, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act or any state securities laws or under the laws of any other jurisdiction. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees as described herein under "Description of the Notes—Form of the Notes" and "Notes to Investors." Such restrictions on the transfer of the Notes may further limit their liquidity. See "Description of the Notes—Form of the Notes." Application may be made for the Notes to be admitted to the official list of the Irish Stock Exchange and to trading on its regulated market. There can be no assurance that any such application will be made or that any such listing will be obtained.

Limited Recourse Obligations: The Class A Notes, Class B Notes, Class C Notes and Class D Notes will be limited recourse obligations of the Issuer, in each case, payable solely from the Pledged Assets pledged by the Issuer to secure the Secured Notes. The Income Notes will be limited recourse obligations of the Issuer and will not be secured by the Pledged Assets securing the Secured Notes. None of the Liquidation Agent, the Holders of the Notes, the Initial Purchaser, the Trustee, the Administrative Agent, the Share Trustee, the Agents, the Credit Protection Buyer or any affiliates of any of the foregoing or the Issuer’s affiliates or any other person or entity will be obligated to make payments on the Secured Notes or the Income Notes. Consequently, the Holders of the Secured Notes must rely solely on distributions on the Pledged Assets pledged to secure the Secured Notes for the payment of principal, interest, premiums and other distributions thereon. If distributions on the Pledged Assets are insufficient to make payments in respect of the Secured Notes, no other assets (and, in particular, no assets of the Liquidation Agent, the Holders of the Secured Notes, the Holders of the Income Notes, the Initial Purchaser, the Trustee, the Administrative Agent, the Share Trustee, the Agents, the Credit Protection Buyer or any affiliates of any of the foregoing) will be available for payment of the deficiency, and following realization of the Pledged Assets pledged to secure the Secured Notes, the obligations of the Issuer to pay such deficiency shall be extinguished and shall not revive.

Subordination of the Notes. Payments of principal on the Class B Notes will be senior to payments of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and to the distribution of Proceeds to the Holders of the Income Notes on such Payment Date to the extent set forth in the Priority of Payments. Proceeds of such payments of the Class A Notes and Class B Notes will be either pro rata or at first to the Class A-1a Notes and second to the Class A-1b Notes as described herein. Payments of principal to the Class A-1 Notes will be either pro rata with principal payments on the Class A-2 Notes or senior to payments of principal to the Class A-2 Notes as described herein. Payments of principal on the Class A Notes due on any Payment Date will be senior to payments of principal of the Class B Notes, the Class C Notes and the Class D Notes and to the distribution of Proceeds to the Holders of the Secured Notes on such Payment Date to the extent set forth in the Priority of Payments. Payments of principal on the Class B Notes due on any Payment Date will be senior to payments of principal on the Class C Notes and the Class D Notes and senior to the distributions of Proceeds to the Holders of the Income Notes on such Payment Date to the extent set forth in the Priority of Payments. Payments of principal on the Class C Notes due on any Payment Date will be senior to payments of principal on the Class D Notes and senior to the distributions of Proceeds to the Holders of the Income Notes on such Payment Date to the extent set forth in the Priority of Payments.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912608
Footnote Exhibits - Page 5707

will be senior to the distributions of Proceeds to the Holders of the Income Notes on each Payment Date to the extent set forth in the Priority of Payments. As a result of the Priority of Payments, notwithstanding the subordination of the Notes described under "Description of the Notes—Status and Security," the Class A Notes will be entitled to receive certain payments of principal while the Class 8 Notes are outstanding, the Class B Notes will be entitled to receive certain payments of principal while the Class 8 Notes, the Class A Notes and the Class B Notes are outstanding and the Class D Notes will be entitled to receive certain payments of principal while the Class 8 Notes, the Class A Notes, the Class B Notes and the Class C Notes are outstanding. In addition, the Income Notes will be entitled to receive certain payments on each Quarterly Payment Date while the Secured Notes are outstanding. See "Description of the Notes—Priority of Payments." To the extent that any amounts are recovered by the Issuer in respect of any Pledged Assets, such amounts will be first paid to Holders of the Income Notes, then, by Holders of the Class D Notes, then, by Holders of the Class C Notes, then, by Holders of the Class B Notes, then, by Holders of the Class A Notes and finally, by Holders of the Class 8 Notes.

Payments of interest on the Class 8 Notes due on any Payment Date will be senior to payments of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and senior to the distributions of Proceeds to the Holders of the Income Notes on such Payment Date. Payments of interest on the Class D Notes due on any Payment Date will be senior to payments of interest on the Class B Notes, the Class C Notes and the Class D Notes and senior to the distributions of Proceeds to the Holders of the Income Notes on such Payment Date. Payments of interest on the Class B Notes due on any Payment Date will be senior to payments of interest on the Class C Notes and the Class D Notes and senior to the distributions of Proceeds to the Holders of the Income Notes on such Payment Date. Payments of interest on the Class C Notes due on any Payment Date will be senior to the distributions of Proceeds to the Holders of the Income Notes on such Payment Date. See "Description of the Notes—Priority of Payments." On any Payment Date on which certain conditions are satisfied and funds are available therefor, the "diffusing principal" method in clause (c) of the Priority of Payments may permit the Holders of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes to receive payments of principal in accordance with the Priority of Payments while some senior Classes of Notes remain outstanding and may permit distributions of Amortization Proceeds to the Holders of the Income Notes, to the extent funds are available in accordance with the Priority of Payments, while the more senior Notes are outstanding. Amounts properly paid pursuant to the Priority of Payments to a junior Class of Notes will not be recoverable in the event of a subsequent shortfall in the amount required to pay a more senior Class of Secured Notes.

Holders of the Controlling Class may not be able to effect a liquidation of the Pledged Assets in an Event of Default. Holders of other Classes of Notes may be adversely affected by actions of the Controlling Class. An Event of Default occurs and is continuing, a Majority of the Controlling Class will be entitled to determine the remedies to be exerted under the Indenture, however, the Majority of the Controlling Class will not be able to direct a sale or liquidation of the Pledged Assets unless, among other things, the Enron determination (which determination will be based upon a certificate of the Liquidation Agent as to the estimated proceeds) that the anticipated proceeds of such sale or liquidation (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to pay in full the sum of (a) the principal (including any Class C Deferred Interest and Class D Deferred Interest) and accrued interest (including all Debenture Interest and interest thereon) and any other amounts due with respect to all the outstanding Notes, (b) unpaid Administrative Expenses, (c) all amounts, including Credit Default Swap Termination Payments, due to the Credit Protection Buyer or any assignee upon termination or assignment of the Credit Default Swap, net of termination or assignment payments payable to the Issuer by the Credit Protection Buyer or any assignee and (d) all other items in the Priority of Payments ranking prior to payments to the Notes and a Majority of the Controlling Class agrees with such determination. There can be no assurance that proceeds of a sale and liquidation, together with all other available funds, will be sufficient to pay in full such amount. Notwithstanding the foregoing, even if the anticipated proceeds of such sale or liquidation would be sufficient to pay in full such amount, the requisite Holders of Notes as determined pursuant to the Indenture or the Holders of a Super Majority of the Controlling Class may direct the sale and liquidation of the Pledged Assets. 35

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912809
Footnote Exhibits - Page 5708

Reservation of powers. The Holders of the Class F Notes and Class A Notes could be adverse to the interests of the Holders of the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes. After the Class B Notes and the Class A Notes are no longer outstanding, the Holders of the Class B Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. After the Class B Notes, the Class A Notes, and the Class B Notes are no longer outstanding, the Holders of the Class C Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. After the Class B Notes, the Class A Notes, the Class B Notes and the Class C Notes are no longer outstanding, the Holders of the Class D Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. See “Description of the Notes—The Indenture—Events of Default.”

Subordination of the Income Notes. Unencumbered Obligations. The Income Notes will be subordinated to any encumbrances on the assets comprising the Collateral trust in accordance with the Priority of Payments. The proceeds of such assets will only be available to make payments in respect of the Income Notes as and when such proceeds are released from the lien of the Indenture in accordance with the Priority of Payments. Thus, in no event shall the Issuer pay any amounts other than the Issuer will be required to make payments on the Income Notes. Except with respect to the obligations of the Issuer to make payment pursuant to the Priority of Payments, the Issuer does not expect to have any amounts. The funds available to be paid to the Fiscus agent will depend in part on the weighted average of the Notes Interest Rates.

Any amounts that are released from the lien of the Indenture for payment to the Holders of the Income Notes in accordance with the Priority of Payments on any Quarterly Payment Date will not be available to make payments in respect of the Secured Notes on any subsequent Payment Date.

Leveraged Investment. The income Notes represent a leveraged investment in the underlying Pledged Assets. The use of leverage generally magnifies an investor’s opportunities for gain and risk of loss. Therefore, changes in the market value of the Income Notes can be expected to be greater than changes in the market value of the underlying assets included in the Pledged Assets which are also subject to credit, liquidity and interest rate risk. The cash flow and the market value of the Income Notes may fluctuate, potentially in a materially manner, as a result of fluctuations in the investment income earned by the Issuer on the Pledged Assets (excluding the Collateral Securities and Eligible Investments held in the Collateral Account).

Supplemental Indemnity may be necessary to the Indenture, and Some Supplemental Indemnity Are Not Required. Certain conditions of the Indenture. The Indenture provides that the Issuer and the Trustee may enter into supplemental indentures to modify various provisions of the Indenture. The execution of supplemental indenture is subject to various conditions precedent. In certain cases, the consent of the Holders of the Notes is required, but in certain cases, such consent is not required. Furthermore, if no Holders of a Note of a Class responds to notice of a proposed amendment within the prescribed time period, all Notes of such Class may be deemed not to be adversely or materially affected by the proposed supplemental indenture. See “Description of the Notes—The Indenture—Modification of the Indenture.”

Optional Redemption and Tax Redemption of Notes. Subject to the satisfaction of certain conditions, the Secured Notes may be optionally redeemed in whole and not in part (i) on any Payment Date or after the July 2010 Payment Date as agreed, or (ii) on the written consent of, Holders of a majority or a class of the Notes, as and if the written consent of, Holders of at least a majority of the Income Notes (or (ii) on the date that is 90 days from the date on which the Issuer first become aware of the occurrence of a Tax Event (provided that such 90-day period shall be extended by another 90 days if, during the initial 90-day period, the Issuer have notified the Holders of the Notes that the related Issuer expects that it shall have changed its place of residence by the end of the latter 90-day period), at the written consent of, or with the written consent of, Holders of at least 66 2/3% of the Income Notes or the Holders of at least a majority of any Class of Notes, if as a result of an occurrence of a Tax Event, each Class of Notes has not received 100% of the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912610
Footnote Exhibits - Page 5709

aggregate amount of principal and interest due and payable on each Class of Notes. If an Optional Redemption or Tax Redemption of the Second Notes occurs, the Income Notes will be remitted simultaneously.

There can be no assurance that after payment of the Second Note Redemption Prices for the Second Notes, amounts payable in connection with the termination of the Credit Default Swap and all other amounts payable in accordance with the Priority ofPayments, any Proceeds will remain to distribute to the Holders of the Income Notes upon redemption. See "Description of the Notes—Optional Redemption” and” —Tax Redemption.” An Optional Redemption or Tax Redemption of the Notes could require the Liquidation Agent to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the CDS Transactions, the Eligible Investments, the Collateral Securities or the Delivered Obligations. In addition, the redemption procedures in the Indenture may require the Liquidation Agent to aggregate securities to be sold together in one block transaction, thereby possibly resulting in a lower aggregate realized value for the CDS Transactions, the Collateral Securities, the Eligible Investments or the Delivered Obligations. In any event, there can be no assurance that the market value of the CDS Transactions, the Collateral Securities, the Eligible Investments or the Delivered Obligations will be sufficient for the Holders of the Income Notes to direct an Optional Redemption or, in the case of a Tax Redemption, for the Holders of the affected Class of Secured Notes or Income Notes to direct a Tax Redemption. A decrease in the market value of the CDS Transactions, the Eligible Investments, the Collateral Securities or the Delivered Obligations would adversely affect the proceeds that could be obtained upon a disposition of the CDS Transactions, the Eligible Investments or the Delivered Obligations; consequently, the condition precedent to the exercise of an Optional Redemption or a Tax Redemption may not be met. The interest ofthe Holders of the Income Notes is determined whether to elect to effect an Optional Redemption and the interest of the Holders of the affected Class of Secured Notes and the Income Notes with respect to a Tax Redemption may be different from the interests of the Holders of the other Classes of Notes in such respect. The Holders of the Notes also may not be able to invest the proceeds of the redemption of the Notes in one or more investments providing a return equal to or greater than the Holders of the Notes expected to obtain from their investment in the Notes. An Optional Redemption or a Tax Redemption will shorten the average lives of the Secured Notes and the duration of the Notes and may reduce the yield to maturity of the Notes.

Auction. There can be no assurance that an Auction of the Pledged Assets on any Auction Date will be successful. The failure of an Auction may lengthen the expected average lives of the Secured Notes and may reduce the yield to maturity of the Secured Notes. In the event of an Auction, Holders of Income Notes may have their Income Notes redeemed without receiving any payments on such Income Notes. In addition, the success of an Auction will shorten the average lives of the Notes and may reduce the yield to maturity of the Secured Notes.

Mandatory Redemption of Notes. If the Class A/B/C Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date, Proceeds that otherwise might have been distributed to the Holders of the Class C Notes, the Class D Notes and the Income Notes will be used to redeem the Class A Notes and the Class B Notes in full in the order described in the Priority of Payments. If the Class C Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date, Proceeds that otherwise might have been distributed to the Holders of the Class D Notes and the Income Notes will be used to redeem the Class A Notes and the Class B Notes in full in the order described in the Priority of Payments. If the Class D Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date, Proceeds that otherwise might have been distributed to the Holders of the Income Notes will be used to redeem the Class D Notes in full. The foregoing redemption procedures could result in an elimination, refund or reduction in the amounts available to make payments to the Holders of the Class C Notes, the Class D Notes and payments to Holders of the Income Notes. See "Description of the Notes—Mandatory Redemption.” Any such redemption will shorten the average lives of the redeemed Notes, may lower the yield to maturity of the Notes.

Collateral Accumulation. In anticipation of the issuance of the Notes, GSIA has agreed to "warehouse” up to U.S.$350,000,000 aggregate notional amount of CDS Transactions and up to U.S.$350,000,000 aggregate principal amount of Collateral Securities and Eligible Investments, for assumption by the Issuer or resale to the Issuer, as applicable, pursuant to the terms of a forward purchase agreement (the "Forward Purchase Agreement”). No current manager or other person acting on behalf of the Issuer has reviewed the prices established pursuant to such Forward Purchase Agreement (nor has there been any third party verification of such prices). All of such notional amount will be represented by one or more CDS Transactions entered into between the Issuer and GSIA or an affiliate thereof, wherein the Issuer will be selling credit protection. Pursuant to the terms of the Forward Purchase Agreement.
Agreement, the Issuer will be obligated to acquire or purchase, as applicable, the "warranted" assets, provided that with respect to the Collateral Securities, such securities satisfy certain eligibility criteria on the Closing Date, for a formula purchase price designed to reflect the premiums at which such "warranted" assets were assumed or purchased, as applicable, the purchase price and other assumptions used to set the initial price of each individual asset, as adjusted for any hedging gain or loss and any loss or gain on any "warranted" asset assigned or sold, as applicable, to a party other than the Issuer during the trailing period. Consequently, the market value of "warranted" assets at the Closing Date may be less than or greater than the formula purchase price paid by the Issuer. In addition, if a CDS Transaction, Collateral Security or Eligible Investment becomes worthless during the trailing period and is not assumed or purchased, as applicable, by the Issuer on the Closing Date, or if a CDS Transaction, Collateral Security or Eligible Investment is otherwise disposed of at the direction of CDS (which disposition may only occur with the consent of CDS’s affiliate), the Issuer will receive the loss or receive the gain on the disposition of such CDS Transaction, Collateral Security or Eligible Investment to a third party.

Disposition of CDS Transactions by the Liquidation Agent Under Certain Circumstances. Under the Indenture, the Liquidation Agent will be required to assume, terminate or otherwise dispose of, on behalf of the Issuer, all CDS transactions that reference Reference Obligations that are determined pursuant to the Collateral Administration Agreement by the Collateral Administrator, on behalf of the Issuer, to meet the definition of Credit Risk Obligations subject to satisfaction of the conditions described herein. The Liquidation Agent will have twelve (12) months (from the date it is notified of the determination of the Collateral Administrator) to assume, terminate or otherwise dispose of such CDS transactions. The Liquidation Agent will not have the right, or the obligation, to exercise any discretion with respect to the method or the price of any assignment, termination or disposition of a CDS Transaction that references a Reference Obligation that is determined pursuant to the Collateral Administration Agreement by the Collateral Administrator, on behalf of the Issuer, to be a Credit Risk Obligation, the sole obligation of the Liquidation Agent will be to conclude the assignment, termination or disposition of such CDS Transaction in accordance with the terms of the Liquidation Agency Agreement. There will be no assurance that the Liquidation Agent will be able to dispose of any such CDS Transaction that references a Reference Obligation that is so determined to be a Credit Risk Obligation. Any such sale of a CDS Transaction that references a Reference Obligation that is so determined to be a Credit Risk Obligation may result in losses to the Issuer, which losses may result in the reduction or withdrawal of the rating of any or all of the Secured Notes by any of the Rating Agencies. See "—No Collateral Manager."

Average Lives, Duration and Prepayment Considerations. The average lives of the Secured Notes (other than the Class A Notes) are expected to be shorter than the number of years until their Stated Maturity. See "Weighted Average Life and Yield Considerations."

The average lives of the Secured Notes will be affected by the financial condition of the obligors on or issuers of the Reference Obligations and the characteristics of the Reference Obligations, including the existence and frequency of exercise of any prepayment, optional redemption or similar put features, the prepayment speed, the occurrence of any early amortization events, the prevailing level of interest rates, the redemption price, the actual default rate and the actual level of recoveries in respect of any Collateral Obligations, the frequency of default or exchange offers for the Reference Obligations and the nature of any other CDS Transactions.

Some or all of the loans underlying the RMBS may be prepaid at any time (although certain of such mortgage loans may have "lockout" periods, defeasance provisions, prepayment penalties or other disincentives to prepayment). Default on and liquidation of the loans and other collateral underlying the RMBS may also lead to early repayment thereof. Prepayments on loans are affected by a number of factors. If prevailing rates for similar loans fall below the interest rates on such loans, prepayment rates would generally be expected to increase. Conversely, if prevailing rates for similar loans are above the interest rates on such loans, prepayment rates would generally be expected to decrease. The existence and frequency of such prepayment, optional redemption, defaults and liquidations will affect the average lives of, and credit support for, the Notes. See "Weighted Average Life and Yield Considerations."

Projections, Forecasts and Estimates. Estimates of the weighted average lives of, and returns on, the Secured Notes included herein, together with any other projections, forecasts and estimates provided to prospective purchasers of the Secured Notes, are forward looking statements. Such statements are necessarily speculative in nature and are subject to various uncertainties and risks, which could cause actual results to differ materially from those expressed or implied by such forward looking statements.
nature, as they are based on certain assumptions. It can be expected that some or all of the assumptions underlying such statements will not reflect actual conditions. Accordingly, there can be no assurance that any estimated projections, forecasts or estimates will be realized or that the forward looking statements will materialize, and actual results may vary from the projections, and the variations may be material.

Some important factors that could cause actual results to differ materially from those in any forward looking statements include changes in interest rates, market, financial or legal uncertainties, the timing of acquisitions of the Reference Obligations, difference in the actual allocation of the Reference Obligations among asset categories from those assumed and mismatches between the timing of accrual and receipt of Proceeds from the Reference Obligations, among others.

None of the Issuer, the Co-Issuer, the Liquidation Agent, the initial Purchaser or any of their respective affiliates has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of any anticipated events, even if the underlying assumptions do not come to fruition.

Dependence of the Issuer on the Liquidation Agent. The Issuer has no employees and is dependent on the employees of the Liquidation Agent to perform its obligations under the Liquidation Agency Agreement in accordance with the terms of the Indenture and the Liquidation Agency Agreement. Consequently, the loss of one or more of the individuals employed by the Liquidation Agent to perform its obligations under the Liquidation Agency Agreement could have an adverse effect, which effect may be material, on the performance of the Issuer.

Static Transaction. The Anderson Mezzanine Funding 2007-1, Ltd. transaction is a static securitization debt obligation transaction. As a result, the CDS Transactions held by the Issuer on the Closing Date will be retained by the Issuer even if it would be in the best interests of the Issuer and the Holders of the Notes to assign, terminate or dispose of certain CDS Transactions unless Reference Obligations referenced by those CDS Transactions are designated as Credit Risk Obligations and are required to be assigned, terminated or disposed by the Liquidation Agent pursuant to the terms of the Indenture and the Liquidation Agency Agreement. See “The Credit Default Swap—Removal of Reference Obligations from the Reference Portfolio”. In addition, circumstances may exist under which it is in the best interests of the Issuer or the Holders of the Notes to assign, terminate or otherwise dispossess of a CDS Transaction, but (a) pursuant to the Collateral Administration Agreement, the Collateral Administrator, on behalf of the Issuer, does not determine that the Reference Obligation referenced by such CDS Transaction is a Credit Risk Obligation or (b) the Liquidation Agent is not able to assign, terminate or otherwise dispose, on behalf of the Issuer, such CDS Transaction in accordance with the terms of the Liquidation Agency Agreement.

Substitution of Collateral Securities. From time to time following the Closing Date, any Holder of any Note may submit to the Trustee or the Fiscal Agent, as applicable, a request to substitute one or more DRE Collateral Securities for one or more existing Collateral Securities, in whole or in part. Such substitution will be subject to the affirmative approval of the Holders of a Majority of each Class of Notes. Any such substitution could (i) adversely affect the Issuer and the Issuer’s ability to make payments on the Notes, (ii) affect the weighted average lives of the Notes, (iii) adversely affect the returns on the Notes and (iv) increase the frequency of defaults on the Collateral Securities or reduce the proceeds following the liquidation of any Collateral Securities. On the other hand, it is also possible that a Holder of a Note could propose a substitution which would be beneficial to the Issuer and the Holders of the Notes but such substitution is not permitted because such proposal is not affirmatively approved by the Holders of a Majority of each Class of Notes.

No Collateral Manager. The Issuer has not engaged and will not engage, a collateral manager to select the Pledged Assets or to verify their prices, to monitor the Pledged Assets on a regular basis or to consult with the Issuer with respect to the Pledged Assets, including the advisability, timing or terms of any disposition thereof. None of the Liquidation Agent or any of its affiliates will provide investment advisory services to the Issuer or to an agent for the Issuer or the Holders of the Notes, and they will not have any fiduciary duties to, nor be obligated to consider the interests of the Issuer or the Holders of the Notes. As a result, the Issuer and the Holders of the Notes will not have the benefit of the provisions of the Investment Advisors Act of 1940 which afford certain protections to clients of investment advisors. Furthermore, because there is no collateral manager in the Anderson Mezzanine Funding 2007-1, Ltd. transaction, the Indenture eliminates the ability of the Issuer to exercise

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912813
Footnote Exhibits - Page 5712

discussion in context where a collateral manager in a managed, or static, collateralized debt obligation transaction customarily has discretion to act on behalf of the Issuer. For example, the Indenture provides, among other things, that (i) when the Issuer, as the beneficial owner of a Collateral Security or Delivered Obligation, or the Trustee, as the registered owner of a Collateral Security, has the right to exercise a vote or consent to (or otherwise approve of) (a) any action, or inaction, pursuant to the terms of such Collateral Security or Delivered Obligation and its related underlying documentation or (b) any offer by the owner of such Collateral Security or Delivered Obligation or by any other person to purchase or otherwise acquire such Collateral Security or Delivered Obligation or to convert or exchange such Collateral Security or Delivered Obligations for cash or any other consideration, the Trustee, as directed by the applicable holders, acting in its capacity as registered owner of such Collateral Security or Delivered Obligation, shall direct the Issuer’s vote be cast in the following manner: (a) if other holders of the class of which such Collateral Security or Delivered Obligation is a part respond to such solicitation for vote or consent, in the same manner as the vote of a plurality of the voting holders of such class (based on the Principal Balance of such Collateral Security or Delivered Obligations), (b) if no other holders of such class exercise a vote or if there are no other holders of such class, but holders of different classes issued under the same governing instrument respond, in the same manner as the vote of a plurality of the voting holders of all classes issued under the governing instrument pursuant to which such Collateral Security or Delivered Obligation was issued (based on the Principal Balance of all such classes and treated as a single class) or (c) if all holders of any class issued under the same governing instrument respond or if there are no other holders, the Issuer’s vote shall be exercised against such action or inaction and (ii) the Issuer will have discretion with respect to the temporary investment of funds held pending application thereof in accordance with the terms of the Indenture. The inability of the Issuer to exercise discretion in these contexts could adversely affect the Issuer and the Holders of the Notes, and it is impossible to quantify the potential magnitude of this impact. Potential investors in the Notes are urged to (a) review carefully the Offering Circular and the related terms of the Indenture, the Fiscal Agency Agreement and other operative documents and (b) take the inability of the Issuer to exercise discretion into account before investing in any of the Notes.

Scheduled Maturity of CDS Transactions. From time to time, the scheduled maturity or termination of one or more CDS Transactions is likely to occur without a Credit Event occurring. Any such maturity or termination of a CDS Transaction will result in a decrease in the Aggregate Reference Obligation Notional Amount and may result in a required redemption of the Notes in accordance with the Priority of Payments. The Issuer anticipates that payments of principal of the Collateral Securities and Rights Investments in the Collateral Account will be applied to redeem the Notes, but it is possible that such payments of principal will not be sufficient to permit such redemption.

The Credit Default Swap and Reference Obligations

General. The following description of the Credit Default Swap and Reference Obligations and the underlying documents and the risks related thereto is general in nature. The attributes and risks related to an individual Reference Obligation may differ in significant and material manners from the general description of the Reference Obligations and the underlying documents and the risks related thereto.

Nature of Reference Portfolio. The Reference Portfolio is subject to credit, liquidity, prepayment, and insurer-run risk. The amount and nature of collateral securing the Secured Notes has been established to withstand certain assumed deficiencies in payment occasioned by defaults in respect of the Reference Obligations and the Early Investments. See “Ratings of the Notes.” If any deficiencies exceed such assumed levels, however, payment of the Notes could be adversely affected. To the extent that any Reference Obligation referenced by a CDS Transaction is determined pursuant to the Collateral Administrative Agreement by the Collateral Administrator, on behalf of the Issuer, to be a Credit Risk Obligation and the Liquidation Agent, on behalf of the Issuer, assigns, terminates or otherwise disposes of such Credit Default Swap Disposition Transaction, it is not likely that the proceeds of such assignment, termination or other disposition will be equal to the amounts owing to the Issuer in respect of such CDS Transaction.

The market value of the CDS Transactions and the Reference Obligations generally will fluctuate with, among other things, the financial condition of the related Reference Obligations and obligations on or interests of the Reference Obligations, the credit quality of the underlying pool of assets in any Reference Obligation, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. None of the Issuer, the Co-Issuer, the Initial Purchaser,

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912614
the Liquidation Agent, the Collateral Administrator, the Credit Protection Buyer or the Trustee has any liability or obligation to the Holders of Notes as to the amount or value of, or decrease in the value of, the Reference Obligations from time to time, or makes any representation or warranty as to the performance of the Reference Obligations.

If any Reference Obligation referenced by a CDS Transaction is determined pursuant to the Collateral Administration Agreement by the Collateral Administrator, on behalf of the Issuer, to be a Credit Risk Obligation, the Liquidation Agent is required, subject to the terms of the Liquidation Agency Agreement, to assign, terminate or otherwise dispose on behalf of the Issuer the affected CDS Transaction. There can be no assurance as to the timing of the Issuer’s disposition of the affected CDS Transaction, or as to the termination costs associated with each affected CDS Transaction. The inability to realize immediate recovery at the recovery levels assumed herein may result in lower cash flow and a lower yield to maturity of the Notes.

CDS Transactions. As of the Closing Date, (i) 9.98% of the CDS Transactions (by Reference Obligation Notional Amount) will consist of CDS Transactions the Reference Obligations of which are RMBS Securities and (ii) 0.01% of the CDS Transactions (by Reference Obligation Notional Amount) will consist of CDS Transactions the Reference Obligations of which are CDO RMBS Securities.

The economic return on a CDS Transaction depends substantially upon the performance of the related Reference Obligation and partially upon the performance of the collateral period by the Issuer to secure its obligations to the Credit Protection Buyer on deposit in the Collateral Account. CDS Transactions generally have probabilistic default, recovery upon default and expected loss characteristics, which are closely correlated to the corresponding Reference Obligation, but may have different maturity dates, coupon, payment dates or other non-credit characteristics than the corresponding Reference Obligation. In addition to the credit risks associated with holding the Reference Obligations with respect to CDS Transactions, the Issuer will usually have a contractual relationship only with the related Credit Protection Buyer, and not with the Reference Obligee of the Reference Obligation. Due to the fact that a CDS Transaction may be illiquid or may not be terminable on demand (or otherwise terminated on demand only upon payment of a substantial fee by the Issuer), the Issuer’s ability to dispose of a CDS Transaction, if circumstances arise permitting such disposal, may be limited. Any settlement payments and termination payments payable by the Issuer (net of any termination payments owing by the Credit Protection Buyer) to the Credit Protection Buyer will reduce the amount available to pay the Holders of the Income Notes and the Secured Notes in inverse order of seniority. The Issuer generally will have no right to directly enforce compliance by the Reference Obligee with the terms of the Reference Obligation nor any rights of set-off against the Reference Obligee, nor have any voting rights with respect to the Reference Obligation. The Issuer will not directly benefit from the collateral supporting the Reference Obligations and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation.

Because neither the Credit Protection Buyer nor the Issuer is required to hold any Reference Obligations, the Issuer will not have any right to obtain from either the Credit Protection Buyer or the Reference Obligee information on the Reference Obligations or information regarding any Reference Obligee. The Credit Protection Buyer will have no obligations to keep the Issuer, the Trustee, the Liquidation Agent, the Holders of the Secured Notes or the Holders of the Income Notes informed as to matters arising in relation to any Reference Obligation, including whether or not circumstances exist under which there is a possibility of the occurrence of a credit event.

In addition, in the event of the insolvency of the Credit Protection Buyer, the Issuer will be treated as a general creditor of such Credit Protection Buyer, and will not have any claim with respect to the Reference Obligee or the Reference Obligations. Consequently, the Issuer will be subject to the credit risk of the Credit Protection Buyer as well as that of the Reference Obligee and the Reference Obligations. As a result, concentrations of CDS Transactions in any one Credit Protection Buyer subject the Notes to an additional degree of risk with respect to defaults by such Credit Protection Buyer. It is expected that Goldman Sachs International, an affiliate of Goldman, Sachs & Co., will act as the sole Credit Protection Buyer with respect to the Credit Default Swap, which creates concentration risk and may create certain conflicts of interest. In addition, neither the Credit Protection Buyer nor its affiliates will be (or will be deemed to be acting as) the agent or trustee of the Issuer, the Holders of the Secured Notes or the Holders of the Income Notes in connection with the exercise of, or the failure to exercise, any of the rights or powers of the Credit Protection Buyer and/or its affiliates arising under or in connection with their respective holding of any Reference Obligation. The Credit Protection Buyer and its affiliates (i) may deal at any
Footnote Exhibits - Page 5714

Reference Obligation, (ii) may generally engage in any kind of commercial or investment banking or other business transactions with any party of a Reference Obligation, and (iii) may act with respect to transactions described in the preceding clauses (i) and (ii) in the same manner as if the Credit Default Swap and the Notes did not exist and without regard to whether any such action might have an adverse effect on such Reference Obligation, the Issuer, the Holders of the Senior Notes or the Holders of the Income Notes.

All of the CDS Transactions are expected to be structured as “pay-as-you-go” credit default swaps. The obligations of the Issuer to make payments to the Credit Protection Buyer under the Credit Default Swap create credit exposure to the related Reference Obligations (as well as to the default risk of the related Credit Protection Buyer). Following the occurrence of a “credit event”, the Issuer may be required to pay to the Credit Protection Buyer a “physical settlement payment”. In addition, each Credit Default Swap Disposition Transaction may require the Issuer, in its capacity as protection seller, to pay certain “flooding amounts” to the Credit Protection Buyer equal to certain principal shortfall amounts, withheld payments and interest shortfalls under the Reference Obligation upon the occurrence thereof. The payment of any such credit protection payments and flooding amounts will be funded by the Issuer, or the Liquidity Agent (on behalf of the Issuer), by applying the Collateral Liquidation Procedure. The Credit Protection Buyer will be obligated to maintain all or part of such payments to the Issuer if the withheld payments of the related shortfall are ultimately paid to Holders of the Reference Obligations and if the related Reference Obligations are written up, the amounts available to the Issuer to make payments in respect of the Senior Notes and Income Notes may be reduced after payment by the Issuer of the relevant payment to the Credit Protection Buyer until the Issuer receives such reimbursement, if any, from the Credit Protection Buyer. Any “flooding payments” or credit protection payments payable by the Issuer, may result in a reduction of the notional amount of the Credit Default Swap, and therefore reduce the amounts payable by the Credit Protection Buyer and the amount of interest collections available to pay interest on the Notes. In addition, any “flooding payment” or “physical settlement payment” would reduce the Collateral Securities on deposit in the Collateral Account that is available to pay the principal of the Notes and may reduce the interest collections available to pay interest on the Notes.

Determinations of the amounts and additional fixed amounts (as described in the related Master Confirmation) will depend on the relevant servicing reports being available and on such reports containing adequate information to enable the required calculations to be made. Current private industry investigations of the market practices show that such reports can vary and that not all reports contain adequate information. In addition, access to servicing reports may be limited if such reports are confidential and neither counterpart holds the related Reference Obligation.

In the event a “credit event” occurs under the Credit Default Swap, the Liquidity Agent, on behalf of the Issuer, will obtain funds to pay Credit Protection Amounts (which, for the avoidance of doubt, will include Defeasance Swap Termination Payments) owed by the Issuer to the Credit Protection Buyer by applying the Collateral Liquidation Procedure. In addition, under certain circumstances upon the occurrence of a “credit event”, the Liquidity Agent, on behalf of the Issuer will pay any related Physical Settlement Amount owed by the Issuer to the Credit Protection Buyer or exchange for a Delivered Obligation by applying the Collateral Liquidation Procedure. Any Delivered Obligation delivered to the Issuer will be sold by the Liquidity Agent, on behalf of the Issuer, pursuant to the terms of the Liquidity Agency Agreement. If a CDS Transaction is terminated prior to its scheduled maturity, the Liquidity Agent, on behalf of the Issuer, will make any termination payments as may be required, for the avoidance of doubt, shall not include Defeasance Swap Termination Payments due to the Credit Protection Buyer by applying the Collateral Liquidation Procedure.

“Pay-as-you-go” credit default swaps are a type of credit default swap developed to incorporate the unique structures of asset-backed securities. The International Swaps and Derivatives Association, Inc. ("ISDA") has published one form confirmation for “pay-as-you-go” credit default swaps referencing CDO Securities in a second phase of confirmations for “pay-as-you-go” credit default swaps referencing RMBS Securities. The form confirmations expected to be used to document the Credit Default Swap are expected to be similar to the RMBS Securities "pay-as-you-go" form and the CDO Securities "pay-as-you-go" forms, but may differ in significant ways. While ISDA has published its form confirmations and has published and supplemented the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit default swap market, the credit default swap market is expected to change and the "pay-as-you-go" credit default swap forms and the Credit Derivatives Definitions and terms applied to credit derivatives are subject to interpretation and further evolution.

Confidential Treatment Requested by Goldman Sachs
ISDA is currently preparing forms for other types of asset-backed securities. There can be no assurance that such forms will be substantially similar to the form confirmations expected to be used for the Credit Default Swap. Past events have shown that the views of market participants may differ on how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution of the ISDA “pay-never-pay-go” credit default swap forms, the confirmations used to document the Credit Default Swap may differ from the market standard. Such a result may have a negative impact on the liquidity and market value of the Credit Default Swap.

There can be no assurance that changes to the Credit Derivatives Definitions and other forms applicable to credit derivatives generally will be favorable to the issuer. Amendments or supplements to the “pay-never-pay-go” credit default swap forms and amendments and supplements to the Credit Derivatives Definitions that are published by ISDA will only apply to the Credit Default Swap executed prior to such amendment or supplement if the Issuer and the Credit Protection Buyer agree to amend the Credit Default Swap to incorporate such amendments or supplements and the Rating Agency Condition has been satisfied. Markets in different jurisdictions have also already adopted and may continue to adopt different practices with respect to the Credit Derivatives Definitions. Furthermore, the Credit Derivatives Definitions may contain ambiguous provisions that are subject to interpretation and may result in consequences that are adverse to the Issuer. In addition, the credit risk of the Reference Obligations and the credit risk of the Credit Protection Buyer, the Issuer is also subject to the risk that the Credit Derivatives Definitions could be interpreted in a manner that would be adverse to the Issuer or that the credit derivatives market generally may evolve in a manner that would be adverse to the Issuer.

Residential Mortgage Backed Securities. 99.4% of the Aggregate Reference Obligation Notional Amount will consist of Residential Mortgage Backed Securities ("RMBS") as of the Closing Date. The types of Residential Mortgage Backed Securities that constitute the Reference Obligations related to the CDS Transactions the Issuer will enter into on the Closing Date will consist of RMBS Multiclass Mortgage Securities and RMBS Subprime Mortgage Securities.

Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS exposure interests in pools of residential mortgage loans secured by one-to-four-family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by agencies and the securities issued are guaranteed. The risk of default and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and the area where the related mortgaged property is located, the borrower’s ability to meet the mortgage payments and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosures of such residential mortgage loans may involve lengthy and difficult processes, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans may include so-called "subprime" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, such portfolio of RMBS may experience increased losses.

Each underlying residential mortgage loan in an issue of RMBS may have a balloon payment due on its maturity date. Balloon residential mortgage loans involve a greater risk to a lender than traditional loans, because the ability of a borrower to pay the loan amount will normally depend on the ability to obtain refinancing of the related mortgage loan or sell the related mortgaged property at a price sufficient to permit the borrower to make the balloon payment, which will depend on a number of factors prevailing at the time such refinancing or sale is required, including, without limitation, the strength of the residential real estate markets, tax laws, the financial situation and operating history of the underlying property, interest rates and general economic conditions. If the borrower is unable to make such balloon payment, the related issue of RMBS may experience losses.
Prepayments on the underlying residential mortgage loans in an issue of RMBS will be influenced by the prepayment patterns of the related mortgage notes and may also be affected by a variety of economic, geographic and other factors, including the differences between the interest rates on the underlying residential mortgage loans and the interest rate on the related mortgage Loans. Generally, if prevailing interest rates fall significantly below the interest rates on the related residential mortgage Loans, the rate of prepayment on the underlying residential mortgage loans would be expected to increase. Conversely, if prevailing interest rates rise to a level significantly above the interest rates on the related mortgage Loans, the rate of prepayment would be expected to decrease. Prepayments could reduce the yield received on the related issue of RMBS.

Structured and Legal Risks of RMBS. Residential mortgage loans in an issue of RMBS may be subject to various federal and state laws, public policies and principles of equity that protect consumers, among other things, may regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Violation of certain provisions of these laws, public policies and principles may limit the issuer's ability to collect all or part of the principal of or interest on a residential mortgage Loans, entitle the borrower to a refund of amounts previously paid by it, or subject the issuer to damages and sanctions. Any such violation could result in cash flow delays and losses on the related issue of RMBS.

RMBS may have structural characteristics that distinguish them from other asset-backed securities. The rate of interest payable on RMBS may be set or effectively capped at the weighted average net coupon of the underlying mortgage Loans themselves or a cap based on an index that determines fluctuating rates. As a result of this cap, the return to investors is dependent on the relative timing and rate of delinquencies and prepayments of mortgage Loans having a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Federal and state law may also affect the return to investors by capping the interest rates payable by certain mortgagees. The Servicer's Civil Relief Act of 2003 (the "Relief Act") provides relief for certain federal and state laws. The Servicer is required to take active duty by capping the interest rates on their mortgage Loans at 6% per annum. In addition, pursuant to the terms of various states, under certain circumstances, payments on the underlying mortgage Loans by states in which such states are called into active duty by the National Guard of the federal government. This could result in delays or reductions in payment and increased losses on the underlying mortgage Loans which impact the return to investors. Certain RMBS may provide for the payment of interest for a fixed period of time.

In addition, structural and legal risks of RMBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be impaired or destroyed, or that the issuer could be subjected to the personal liability of the issuer or the servicer. Certain RMBS may provide for the payment of interest for a fixed period of time.

It is not expected that the RMBS will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Payments on RMBS will depend solely upon the amount and timing of payments and other factors on the related underlying mortgage Loans.

Recent Development in RMBS May Adversely Affect the Performance and Market Value of RMBS. According to published reports, recently, the residential mortgage market in the United States has experienced a variety of difficulties and changes in economic conditions that may adversely affect the performance and market value of RMBS. Delinquencies and losses with respect to residential mortgage Loans generally expected to increase in recent months, and may continue to increase, particularly in the subprime sector. In addition, in recent months published reports have indicated that housing prices and appraised values in many areas have declined or stopped appreciating. A continued decline or an extended flattening of these values may result in additional increases in delinquencies and losses on RMBS generally.

Another factor that may result in higher delinquency rates is the reported increase in monthly payments on adjustable rate mortgage Loans. Borrowers with adjustable rate mortgage Loans are being exposed to increased
monthly payments when the stated mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate. Borrowers seeking to avoid these increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at competitively low interest rates. A decline in housing prices may also leave borrowers with insufficient equity in their homes to permit them to refinance. Furthermore, borrowers who intend to sell their homes on or before the expiration of the fixed rate periods on their mortgage loans may find that they cannot sell their properties for an amount equal to or greater than the unpaid principal balance of their loans. These events, alone or in combination, may contribute to higher delinquency rates and, as a result, adversely affect the performance and market value of RMBS.

In addition, numerous residential mortgage loan originators that originate subprime mortgage loans have reportedly recently experienced serious financial difficulties and, in some cases, bankruptcy. These difficulties may have resulted in part from declining markets for mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or for material breaches of representations and warranties made on the mortgage loans, such as fraud claims. These difficulties may affect the performance and market value of RMBS.

CDO Securities. 1.6% of the Aggregate Reference Obligation National Amount will consist of CDO Securities as of the Closing Date. CDO Securities generally are limited recourse obligations of the issuer thereof payable solely from the underlying assets of the issuer ("CDO Collateral") or proceeds thereof. Consequently, holders of CDO Securities must rely solely on distributions on the underlying CDO Collateral or proceeds thereof for payment in respect thereof. If distributions on the underlying CDO Collateral are insufficient to make payments on the CDO Securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer to pay such deficiency shall be extinguished. Many subordinate classes of CDO Securities provide that a deferral of interest thereon or a write-down does not constitute an event of default and the holders of such securities will not have available to them any associated default remedies. During such periods of non-payment or partial non-payment, such non-payment interest will generally be capitalized and added to the outstanding principal balance of the related security. Any such deferral will reduce the amount of current payments made on such CDO Securities.

CDO Securities are subject to credit, liquidity and interest rate risks. The assets backing CDO Securities may consist of high-yield debt securities, loans, trust preferred securities, structured finance securities and other debt instruments. High-yield debt securities are generally structured (and loans may be structured) and may be subordinated to certain other obligations of the issuer thereof. An increase in the default rates of high-yield corporate debt securities or loans could increase the likelihood that payments may not be made to holders of CDO Securities which are secured by high-yield corporate debt securities and loans.

Issuers of CDO Securities may acquire interests in loans and other debt obligations by way of assignment or participation. The purchaser of an assignment typically acquires all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation. However, its rights can be more restricted than those of the assigning institution.

In purchasing participations, an issuer of CDO Securities will usually have a contractual relationship only with the selling institution, and not the borrower. The issuer generally will have no right directly to enforce compliance by the borrower with the terms of the note agreement, nor any right of set-off against the borrower, nor have the right to object to certain changes in the loan agreement agreed to by the selling institution. The issuer may not receive any benefits from the collateral including the related loan and may be subject to any rights of set-off against the borrower. The selling institution has against the selling institution. In addition, in the event of the insolvency of the selling institution, under the laws of the United States of America and the states thereof, the issuer may be treated as a general creditor of the selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the loan. Consequently, the issuer may be subject to the credit risk of the selling institution as well as of the borrower.

CDO Securities are subject to interest rate risk and day count basis risk. The CDO Collateral of an issuer of CDO Securities may bear interest at a fixed (floating) rate while the CDO Securities issued by such issuer may bear interest at a floating (fixed) rate. As a result, there could be a floating/fixed rate or basis mismatch between such CDO Securities and CDO Collateral which bears interest at a fixed rate and there may be a timing mismatch.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912619
between the CDO Securities and assets that bear interest at a floating rate as the interest rate on such assets bearing interest at a floating rate may adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the CDO Securities. As a result of such misalignment, an increase or decrease in the level of the floating rate indices could adversely impact the ability to make payments on the CDO Securities. In addition, hedges may have been acquired to manage the interest rate risk of such CDO Securities, making such CDO Securities even more sensitive to the credit risk of the equivalent hedge counterparty.

Subordination of Reference Obligations. All of the Reference Obligations are junior grade as of the Closing Date. Some of the Reference Obligations will be subordinated to one or more other classes of securities of the same series for purposes of, among other things, offsetting losses and other shortfalls with respect to the related underlying mortgage loans. The subordinated classes are more sensitive to risk of loss and withdrawable than senior classes of such securities.

Prospective Purchasers of the Secured Notes and the Income Notes should consider and assess for themselves the likely level of defaults on the Reference Obligations, as well as the likely level and timing of recoveries on the Reference Obligations.

Insolvency Considerations with Respect to Issuers of Reference Obligations. Various laws exist to protect the interests of holders of Reference Obligations. If an issuer is in default with respect to any of its obligations under the Reference Obligations, or if an issuer is unable to pay its debts as they mature, such issuer could determine to wind up, in whole or in part, such indebtedness or such loss as a fraudulent conveyance, to subordinate such indebtedness or such loss to existing or future creditors of such issuer, or to recover amounts previously paid by such issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property as a fair valuation, or if the present fair salable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they become absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether an issuer was "insolvent" after giving effect to the occurrence of the indebtedness constituting the Reference Obligation or the grant of a lien securing the Reference Obligation or both, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such insolvency or grant. In addition, in the event of the bankruptcy of an issuer of a Reference Obligation, payments made on such Reference Obligation or a lien securing such Reference Obligation could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year or longer) before insolvency. Payments made under loans underlying Reference Obligations may also be subject to avoidance in the event of the bankruptcy of the borrower.

In general, if payments on a Reference Obligation are avoidable, whether as fraudulent conveyances or preferences, such payments can be recovered. To the extent that any such payments are recovered, the resulting loss will be borne first by the holders of the Income Notes, then by the Holders of the Class D Notes, then by the Holders of the Class C Notes, then by the Holders of the Class B Notes, then by the Holders of the Class A-2 Notes, then, pro rata, by the Holders of the Class A Notes and finally, by the Holders of the Class S Notes.

Illegality of CDS Transactions: Certain Restrictions on Transfer. There may be a limited trading market for many of the CDS Transactions entered into by the Issuer, and in certain instances there may be effectively no trading market therefor. The illegality of CDS Transactions may also affect the ability of the Issuer to conduct a successful Optional Redemption. Tag Redemption or Auction, to exercise redemptions and may also affect the amount and timing of receipt of proceeds from the disposition of CDS Transactions in connection with the exercise of remedies following an Event of Default.


Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5719

will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, developments in the financial condition of the parties to, or issuer of, the Collateral Securities, CDS Transactions and the related Reference Obligations. A decline in the market value of the Collateral Securities, CDS Transactions and the related Reference Obligations would adversely affect the proceeds that could be obtained upon the assignment, termination or other disposition of the Collateral Securities, CDS Transactions and the related Delivered Obligations and could ultimately affect the ability of the Issuer to effect an Auction, an Optional Redemption or a Tax Redemption, or to pay the principal of the Notes upon a liquidation of the Collateral Securities, CDS Transactions and the related Delivered Obligations following the occurrence of an Event of Default.

Interest Rate Risk. There will be a basis and timing mismatch between the Notes and the Collateral Securities which bear interest at a floating rate, since the interest rates on such Collateral Securities bearing interest at a floating rate may adjust more frequently or less frequently, on different dates and based on different indices, than the interest rate on the Notes.

Concentration Risk. The Issuer will invest in CDS Transactions which relate to the portfolio of Reference Obligations described in Appendix B hereto. Payments on the Notes could be adversely affected by the concentration in the portfolio of any one issuer or any one security if such issuer or security were to default. No single issuer will represent as of the closing Date more than approximately 5.64% of the Aggregate Reference Obligation Notional Amount. See "The Credit Default Swap—The Reference Portfolio."

PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSIDER AND ASSESS FOR THEMSELVES THE LIKELIHOOD OF A DEFAULT BY EITHER THE CREDIT PROTECTION BUYER, AS WELL AS THE OBLIGATIONS OF THE ISSUER UNDER EITHER THE CREDIT PROTECTION BUYER, INCLUDING THE OBLIGATION TO MAKE TERMINATION PAYMENTS TO EITHER THE CREDIT PROTECTION BUYER.

Other Considerations

Changes in Tax Law: No Gains-Up. Under current tax law of the United States and other jurisdictions, payments made by the Credit Protection Buyer under the Credit Default Swap and obligors on any Eligible Investments are not expected to be subject to the imposition of U.S. federal or other withholding tax. There can be no assurance, however, that as a result of a change in any applicable law, treaty, rule or regulation or interpretation thereof or other causes, such payments might not in the future become subject to U.S. federal or other withholding tax. In the event that any withholding tax should be determined to be applicable to payments on any Eligible Investments and the obligors thereon were then required to make "gains-up" payments that cover the full amount of any such withholding taxes, such tax would reduce the amounts available to make payments on the Notes.

In the event that any withholding tax is imposed on payments to the Notes, the Holders of the Notes will not be entitled to receive "gains-up" amounts to compensate for such withholding tax. In addition, 90 days following the Issuer becoming aware of the occurrence of a Tax Event (which 90-day period may be extended by 90 days, if the Issuer will make in whole but not in part, an applicable Secured Note Redemption Price or the Income Note Redemption Price, as applicable, specified herein, the Notes in accordance with the procedures described under "Description of the Notes—Tax Redemption"—"Optional Redemption—Optional Redemption/Tax Redemption Procedures" herein.

Lack of Operating History. Each of the Issuer is a newly organized entity and has no prior operating history. Accordingly, neither of the Issuer has a performance history for a prospective investor to consider.

Investment Company Act. Neither of the Issuers has registered with the United States Securities and Exchange Commission (the "SEC") as an investment company pursuant to the Investment Company Act. The Issuer has not, as of the date hereof, registered or qualified to sell certain investment companies organized under the law of a jurisdiction other than the United States whose investors reside in the United States are solely Qualified Purchasers and which do not make a public offering of their securities in the United States. Conformity for the Issuer will be, in connection with the sale of the Notes to the Initial Purchaser, that neither the Issuer nor the Op-Issuer is on the Closing Date an investment company required to be registered under the Investment Company Act.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912621
Footnote Exhibits - Page 5720

...continue from previous page...

...Footnote Exhibits - Page 5720...

1649

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01653 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
EU Savings Directive. If, following implementation of European Council Directive 2003/48/EC, a payment were to be made or collected through a member state that opted for a withholding system and an amount of or in respect of tax were to be withheld from that payment, neither the issuer nor the Paying Agent nor any other person would be obliged to pay additional amounts as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a paying agent following implementation of this Directive, the issuer will be required to maintain a paying agent in a member state that will not be obliged to withhold or deduct tax pursuant to the Directive.

Certain Conflicts of Interest. Various potential and actual conflicts of interest may arise from the overall activities of the Credit Protection Buyer, the overall underwriting, investment and other activities of the Liquidations Agent, their respective affiliates and its clients and employees and from the overall investment activity of the Initial Purchaser, including in other transactions with the Issuer. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Credit Protection Buyer. GIS will be the Initial Credit Protection Buyer. The following briefly summarizes some potential and actual conflicts of interest related to the Credit Protection Buyer, but the following isn’t intended to be an exhaustive list of all such conflicts.

GIS and/or its affiliates may be in possession of information in relation to a Reference Entity or otherwise that is or may be material in the context of the Notes and may or may not be publicly available to Holders. None of GIS or any of its affiliates has any obligation to disclose to Holders any such information.

GIS and/or any of its affiliates may invest and/or deal, for their own respective accounts for which they have investment discretion, in securities or in other interests in the Reference Entities, in obligations of the Reference Entities or in the obligations in respect of any Reference Obligations or in Collateral Securities (the “Investments”) or in credit default swaps (whether as protection buyer or seller), total return swaps or other instruments enabling credit and/or other risks to be traded that are linked to one or more Investments. Such Investments, credit derivatives and/or instruments may have the same or different terms from any of the credit derivatives referred to in the terms of the Notes. In addition, GIS and/or any of its affiliates may invest and/or deal, for their own respective accounts, in securities for which they have investment discretion, in accounts (or state loans or have other rights) that are senior to, or have interests different from or adverse to, any of the Investments and may act as advisor to, or may be lender to, and may have other ongoing relationships with, the Issuer or obligors of Investments and obligations of any Reference Entities. GIS may at certain times be simultaneously seeking to purchase or sell investments and/or protection under credit derivatives or other instruments enabling and/or other risks to be traded for any entity for which it serves as manager in the future.

Various potential and actual conflicts of interest may arise from the overall activities of GIS and/or any of its affiliates. GIS, its respective affiliates and the directors, officers, employees and agents of GIS and its respective affiliates may, among other things: (a) serve as directors, officers, partners, employees, agents, members or managers for any Investment, any origination and/or servicing of or any other party interested in an Investment or the obligors in respect of the Investments; (b) receive fees for services of any nature rendered to any obligor in respect of the Investments or any origination and/or services of or any other party interested in the Investments; (c) be a secured or unsecured creditor of, or hold equity interests in any obligor in respect of the Investments, any origination and/or services of or any other party interested in the Investments; (d) enter into transactions with the Investments, any origination and/or services of or any other party interested in the Investments; (e) enter into transactions with any or any other securities issuer of or any other party interested in the Investments; (f) enter into transactions with any “creditors’ committee” with respect to any formal or informal workout group with respect to any obligor in respect of the Investments, any origination and/or services of or any other party interest in the Investments; (g) serve as an advisor to or may be lender to, and may have other ongoing relationships with any obligor in respect of the Investments, any origination and/or services of or any other party interest in the Investments.
the extent it holds a Reference Obligation, the Credit Protection Buyer or their respective affiliates, as the case may be, will have the right to exercise of all the voting and consent rights of a holder of such Reference Obligation and it will exercise those rights in such manner as it determines to be in its own commercial interests without regard to the Holders of the Notes.

The Liquidation Agent. GS&Co. will be the initial Liquidation Agent. Although the Liquidation Agent will exercise no discretion with respect to the Pledged Assets and the Liquidation Agent is not providing investment advisory services or acting as an adviser to, the Issuer or the Holders of the Notes, various potential and actual conflicts of interest may arise from the overall underwriting, investment and other activities of the Liquidation Agent, its affiliates and its clients. The Liquidation Agent is also the Initial Purchaser. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Liquidation Agent and/or its affiliates have ongoing relationships with, render services to, finance and engage in transactions with, and may own debt or equity securities issued by issuers of certain of the Reference Obligations and Collateral Securities. The Liquidation Agent, its affiliates and/or its clients may invest in securities that are senior or subordinated to, or have interests different from or adverse to, the Reference Obligations and Collateral Securities. The interests of such parties may be different than or adverse to the interests of the holders of the Notes. In addition, such persons may possess information relating to the Reference Obligations and Collateral Securities which is not known to the individuals at the Liquidation Agent responsible for performing its obligations under the Liquidation Agency Agreement. Such persons will not be required (and may not be permitted) to share such information or pass it along to the Issuer, the Liquidation Agent or any holder of any Notes. Neither the Liquidation Agent nor any of such persons will have liability to the Issuer or any holder of any Notes for failure to disclose such information or for taking, or failing to take, any action based upon such information.

In addition, the Liquidation Agent and/or any of its affiliates may engage in any other business and furnish investment banking and other services to others which may include, without limitation, investing in, lending to, being affiliated with or have other ongoing relationships with, other entities organized to issue collateralized debt obligations secured by assets similar to the Reference Obligations, and the Collateral Securities and other trusts and pooled investment vehicles that acquire interests in, provide financing to, or otherwise deal with securities issued by issuers that would be suitable investments for the Issuer. In providing services to other clients, the Liquidation Agent and its affiliates may engage in activities that would compete with or otherwise adversely affect the Issuer. In addition, the Liquidation Agent will be free, in its sole discretion, to effect transactions on behalf of itself or for others, that may be the same as or different from those effected on behalf of the Issuer, and the Liquidation Agent and/or its affiliates may furnish investment banking or other services to others who may have investment policies similar to those followed by the Issuer and who may own securities of the same class, or which are the same type as, the Reference Obligations and the Collateral Securities on behalf of the Issuer. In addition, under certain circumstances the Liquidation Agent will be required to dispose of certain CDS Transactions which reference Reference Obligations in accordance with the procedures set forth in the Liquidation Agency Agreement. Such disposition of CDS Transactions which reference Reference Obligations may result in losses by the Issuer, which losses may result in the reduction or withdrawal of the rating of any or all of the Notes by any of the Rating Agencies. In making any such sale, the Liquidation Agent need not take into account the interests of the Holders of the Notes or any other party. The Liquidation Agent and/or its affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for their respective accounts or for another entity of the same time as it is disposing of investments for the Issuer. Accordingly, conflicts may arise regarding the allocation of such opportunities.

No provision in the Liquidation Agency Agreement prevents the Liquidation Agent or any of its affiliates from rendering services of any kind to the Issuer of any Reference Obligations or Collateral Securities and their respective affiliates, the Trustee, the Holders of the Notes or any other entity. Without prejudice to the generality of the foregoing, the Liquidation Agent and its affiliates, directors, officers, employees and agents may, among other things, serve as directors, trustees, partners, officers, employees, agents, advisors, associates or signatories for an issuer of any Reference Obligations or Collateral Securities; (b) receive fees for services rendered to the Issuer of any Reference Obligations or Collateral Securities; (c) serve as a member of any “fiduciary” board or “fiduciary” committee with respect to any Reference Obligations or Collateral Securities which has become or may become a Defaulted Obligation.

Confidential Treatment Requested by Goldman Sachs GS MBB-E-000912624
The Liquidation Agent or any of its affiliates or subsidiaries will be permitted to exercise all voting rights with respect to any Notes which they may acquire (other than with respect to a vote regarding the removal of the Liquidation Agent or the termination or assignment of the Liquidation Agency Agreement).

The Initial Purchaser, G&Co. will be the Initial Purchaser. Various potential and actual conflicts of interest may arise from the conduct by the Initial Purchasers and its affiliates in other transactions with the Issuer, including, without limitation, acting as counterparty with respect to the Credit Default Swap. G&Co. will also initially act as the Liquidation Agent under the Liquidation Agency Agreement. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

It is expected that the Initial Purchaser and/or its affiliates and selling agents will have placed or underwritten certain of the Reference Obligations and Collateral Securities at original issuance, will own equity or other securities of issuers of or obligors on Reference Obligations and Collateral Securities and will have provided investment banking services, advisory, banking and other services to issuers of Reference Obligations and Collateral Securities. The Issuer may invest in the securities of companies affiliated with the Initial Purchaser and/or any of its affiliates or in which the Initial Purchaser and/or any of its affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Initial Purchaser’s trade in and use of its affiliates’ own investments in such companies. In addition, it is expected that one or more affiliates of the Initial Purchaser will also act as counterparty with respect to all of the CDS Transactions. The Issuer may invest in money market funds that are managed by the Initial Purchaser or its affiliates, provided that such money market funds otherwise qualify as Eligible Investments. G&Co. and/or a consolidated entity controlled by G&Co. or an affiliate thereof is providing “warehouse” financing to the Issuer prior to the Closing Date and G&Co. selected the warehouse Credit Default Swap and Collateral Securities which will be sold to the Issuer on the Closing Date pursuant to the terms of the Forward Purchase Agreement. No collateral manager or other person acting on behalf of the Issuer has reviewed the prices established pursuant to such Forward Purchase Agreement (as has been the case with third-party verification of such prices). See “—Notes—Collateral Accumulation.”

There are no limitations or restrictions on the Initial Purchaser or any of its affiliates with regard to acting as investment advisor, initial purchaser or placement agent (or as a similar role) to other parties or persons. This and other similar activities of the Initial Purchaser and/or its affiliates may give rise to additional conflicts of interest.


The Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”), signed into law on and effective as of October 26, 2001, imposes anti-money laundering obligations on different types of financial institutions, including banks, broker-dealers and investment companies. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the “Treasury”) to prescribe regulations to define the types of investment companies subject to the USA PATRIOT Act and the related anti-money laundering obligations.

It is not clear whether the Treasury will require entities such as the Issuer to meet anti-money laundering policies. It is possible that the Treasury will promulgate regulations requiring the Issuer or the Initial Purchaser to require service providers to the Issuer, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Secured Notes and the Ordinary Notes. Such legislation and/or regulations could require the Issuer to implement additional restrictions on the transfer of the Secured Notes and the Ordinary Notes. As may be required, the Issuer reserves the right to request such information and take such actions as are necessary to comply with the USA PATRIOT Act.

The Issuer. The Issuer is a newly incorporated Cayman Islands exempted company and has no substantial prior operating history. The Issuer will have no significant assets other than the CDS Transactions, the Collateral Securities, Eligible Investments, rights under the Credit Default Swap, rights under the Liquidation Agency Agreement, and certain other accounts and agreements entered into as described herein, and proceeds thereof, all of which have been pledged to the Trustee to secure the Issuer’s obligations to the Holders of the Secured Notes and the Credit Protection Buyer. The Issuer will not engage in any business activity other than the issuance and sale of the Secured Notes and the Ordinary Notes as described herein, the issuance of the Ordinary Shares, the entering into and performance of its obligations under the Credit Default Swap, the acquisition and disposition of Collateral Securities and Eligible Investments as described herein, the entering into of, and the performance of its obligations under, the Indenture, the Amended Credit Agreement, the Liquidation Agency Agreement, the Collateral Administration Agreement, any applicable Transaction Documents, the pledge of the Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912625
Footing Exhibits - Page 5724

Pledged Assets as security for its obligations in respect of the Secured Notes and otherwise for the benefit of the Secured Parties, certain activities connected in connection with the payment of amounts in respect of the Secured Notes and the Income Notes and the management of the Pledged Assets and other activities incidental to the foregoing. Income derived from the Pledged Assets will be the Issuer's only source of cash.

The Issuer. The Co-Issuer is a newly incorporated Delaware corporation and has no prior operating history. The Co-Issuer does not have and will not have any significant assets. The Co-Issuer will not engage in any business activity other than the co-issuance of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

See "Income Tax Considerations." See "ERISA Considerations."}

Listing: Applications may be made to the Irish Stock Exchange for the Notes to be admitted to the official list of the Irish Stock Exchange and to trading on its regulated market. There can be no assurance that any application will be made, that any such listing will be obtained or that, if it is obtained, that it will be maintained by the Issuer. If any Class or Classes of Notes are admitted to the official list of the Irish Stock Exchange, the Issuer may at any time terminate the listing of such Notes. If the Issuer terminates the listing, it may, but is under no obligation to, seek a replacement listing on another stock exchange.

DESCRIPTION OF THE NOTES

The Secured Notes will be issued by the Issuer pursuant to the Indenture. The Income Notes will be issued by the Issuer pursuant to the Fiscal Agency Agreement. The following summary describes certain provisions of the Notes, the Indenture and the Fiscal Agency Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Notes, the Indenture and the Fiscal Agency Agreement. Copies of the Indenture may be obtained by prospective purchasers of the Secured Notes upon request in writing to the Trustee at LaSalle Bank National Association, 181 W. Madison Street, 33rd Floor, Chicago, Illinois 60602, Attention: CDO Trust Services Group —Anderson Mezzanine Funding 2007-1, Ltd. (telephone number (312) 992-5312). Copies of the Fiscal Agency Agreement may be obtained by prospective purchasers of Income Notes upon request in writing to the Fiscal Agent at LaSalle Bank National Association, 181 W. Madison Street, 33rd Floor, Chicago, Illinois 60602, Attention: CDO Trust Services Group —Anderson Mezzanine Funding 2007-1, Ltd. (telephone number (312) 992-5312).

Status and Security

The Co-Issued Notes will be limited recourse obligations of the Issuer, secured as described below. The Income Notes will be limited recourse obligations of the Issuer, not to be secured obligations of the Issuer and will only be entitled to receive amounts available for payment to the Holders of the Income Notes after payment of all amounts payable prior thereto under the Priority of Payments. The Class B Notes will be senior in right of payment on each Payment Date to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes to the extent provided in the Priority of Payments. The Class A Notes will be senior in right of payment on each Payment Date to the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes, except in the event of a Change of Control. The Class B Notes will be senior in right of payment on each Payment Date to the Class C Notes, the Class D Notes and the Income Notes. Interest on the Class A-1a Notes, Class A-1b Notes and Class A-2 Notes will be paid pro rata (based upon amounts due). Payments of principal and interest on the Class A-1 Notes will be either senior to or pro rata with payments of principal of the Class A-2 Notes as more fully described in the Priority of Payments. All principal allocated to the Class A-1 Notes will be allocated first (i) from the Class A-1a Notes until the Class A-1a Notes are paid in full and then to the Class A-1b Notes until the Class A-1b Notes are paid in full and then to the Class A-1 Notes and (ii) pro rata to the Class A-1 Notes as more fully described in the Priority of Payments. The Class B Notes will be senior in right of payment on each Payment Date to the Class C Notes, the Class D Notes and the Income Notes. The Class C Notes will be senior in right of payment on each Payment Date to the Class D Notes and the Income Notes. The Class D Notes will be senior in right of payment on each Payment Date to the Income Notes. See "—Priority of Payments."

Confidential Treatment Requested by Goldman Sachs

OS MBS-E-000912626
Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit and security of the Trustee on behalf of the Secured Notes, the Fiscal Agent, the Liquidating Agent and the Credit Protection Buyer (but only to the extent of (a) the Collateral Securities and Eligible Investments in the Collateral Account and (b) the Delivered Obligations in the Delivered Obligations Account (collectively, the "Secured Parties")); a first priority security interest in (i) the Credit Default Swap; (ii) the Interest Collection Account; (iii) the Payment Account; (iv) the Exposure Reserve Account; (v) the Delivered Obligations Account; (vi) the Amendment Interfund Account, (vii) the CDS Counterparty Collateral Account and (viii) the Collateral Account (including the Cash Collateral Account) (items (i) through (viii), the "Accounts"); (ix) Eligible Investments; (x) the Issuer's rights under the Credit Default Swap; (xi) the Issuer's rights under the Collateral Administration Agreement; (xii) the Issuer's rights under the Liquidation Agency Agreement and (xiii) certain other property (collectively, the "Pledged Assets").

Payments of interest on and principal of the Secured Notes and payments to the Holders of the Income Notes, will be made solely from the proceeds of the Pledged Assets in accordance with the Priority of Payments.

The aggregate amount that will be available for payments required or permitted to be made on the Notes and of certain expenses of the Issuer, the Trustee and the Agents on any Payment Date will be the total amount of Proceeds received during the period (a "Due Period") ending on (and including) the fourth Business Day prior to such Payment Date or, in the case of a Due Period that is applicable to the Payment Date relating to the latest Maturity of any Note, ending on (and including) the day preceding such Payment Date, and commencing immediately following the fourth Business Day prior to the preceding Payment Date (or, in the case of the Due Period relating to the first Payment Date, on the Closing Date).

Interest on the Secured Notes

The Class 5 Notes will bear interest during each Interest Accrual Period at the Class 5 Note Interest Rate for such Interest Accrual Period. The Class A-1 Notes will bear interest during each Interest Accrual Period at the Class A-1 Note Interest Rate for such Interest Accrual Period. The Class A-2 Notes will bear interest during each Interest Accrual Period at the Class A-2 Note Interest Rate for such Interest Accrual Period. The Class A-3 Notes will bear interest during each Interest Accrual Period at the Class A-3 Note Interest Rate for such Interest Accrual Period. The Class B Notes will bear interest during each Interest Accrual Period at the Class B Note Interest Rate for such Interest Accrual Period. The Class C Notes will bear interest during each Interest Accrual Period at the Class C Note Interest Rate for such Interest Accrual Period. The Class D Notes will bear interest during each Interest Accrual Period at the Class D Note Interest Rate for such Interest Accrual Period. The Class E Notes will bear interest during each Interest Accrual Period at the Class E Note Interest Rate for such Interest Accrual Period. The Class F Notes will bear interest during each Interest Accrual Period at the Class F Note Interest Rate for such Interest Accrual Period. The Class G Notes will bear interest during each Interest Accrual Period at the Class G Note Interest Rate for such Interest Accrual Period. The Class H Notes will bear interest during each Interest Accrual Period at the Class H Note Interest Rate for such Interest Accrual Period. The Class I Notes will bear interest during each Interest Accrual Period at the Class I Note Interest Rate for such Interest Accrual Period. The Class J Notes will bear interest during each Interest Accrual Period at the Class J Note Interest Rate for such Interest Accrual Period. The Class K Notes will bear interest during each Interest Accrual Period at the Class K Note Interest Rate for such Interest Accrual Period. The Class L Notes will bear interest during each Interest Accrual Period at the Class L Note Interest Rate for such Interest Accrual Period. The Class M Notes will bear interest during each Interest Accrual Period at the Class M Note Interest Rate for such Interest Accrual Period. The Class N Notes will bear interest during each Interest Accrual Period at the Class N Note Interest Rate for such Interest Accrual Period. The Class O Notes will bear interest during each Interest Accrual Period at the Class O Note Interest Rate for such Interest Accrual Period. The Class P Notes will bear interest during each Interest Accrual Period at the Class P Note Interest Rate for such Interest Accrual Period. The Class Q Notes will bear interest during each Interest Accrual Period at the Class Q Note Interest Rate for such Interest Accrual Period. The Class R Notes will bear interest during each Interest Accrual Period at the Class R Note Interest Rate for such Interest Accrual Period. The Class S Notes will bear interest during each Interest Accrual Period at the Class S Note Interest Rate for such Interest Accrual Period. The Class T Notes will bear interest during each Interest Accrual Period at the Class T Note Interest Rate for such Interest Accrual Period. The Class U Notes will bear interest during each Interest Accrual Period at the Class U Note Interest Rate for such Interest Accrual Period. The Class V Notes will bear interest during each Interest Accrual Period at the Class V Note Interest Rate for such Interest Accrual Period. The Class W Notes will bear interest during each Interest Accrual Period at the Class W Note Interest Rate for such Interest Accrual Period. The Class X Notes will bear interest during each Interest Accrual Period at the Class X Note Interest Rate for such Interest Accrual Period. The Class Y Notes will bear interest during each Interest Accrual Period at the Class Y Note Interest Rate for such Interest Accrual Period. The Class Z Notes will bear interest during each Interest Accrual Period at the Class Z Note Interest Rate for such Interest Accrual Period. The Class AA Notes will bear interest during each Interest Accrual Period at the Class AA Note Interest Rate for such Interest Accrual Period. The Class AAA Notes will bear interest during each Interest Accrual Period at the Class AAA Note Interest Rate for such Interest Accrual Period. The Class BBB Notes will bear interest during each Interest Accrual Period at the Class BBB Note Interest Rate for such Interest Accrual Period. The Class BBBB Notes will bear interest during each Interest Accrual Period at the Class BBBB Note Interest Rate for such Interest Accrual Period.

Proceeds received during any Due Period will be available for distribution to the Holders of the Secured Notes on the next Business Day following the last day of such Due Period. The Holders of the Secured Notes will be entitled to the aggregate principal amount of Proceeds from such Due Period, but subject to the Priority of Payments, until such principal amount has been distributed to the Holders of the Secured Notes. The Holders of the Secured Notes will be entitled to any interest that has accrued on the Proceeds from any Due Period, but subject to the Priority of Payments, until such interest has been distributed to the Holders of the Secured Notes. The Holders of the Secured Notes will be entitled to any fees, expenses and other amounts that are allocable to the Secured Notes and that are earned during any Due Period, but subject to the Priority of Payments, until such fees, expenses and other amounts have been distributed to the Holders of the Secured Notes. If any Proceeds from any Due Period are not distributed to the Holders of the Secured Notes, the Holders of the Secured Notes will be entitled to interest thereon at the Applicable Rate on the last Business Day of any Due Period, but subject to the Priority of Payments, until such interest has been distributed to the Holders of the Secured Notes.

Confidential Treatment Requested by Goldman Sachs GS MBS-E-000912627
Footnote Exhibits - Page 5728

to pay interest to the Holders of the Class D Notes will not be an Event of Default under the Indenture. See "— Priority of Payments" and "— The Indenture—Events of Default."

Interest will cease to accrue on each Secured Note from the date of repayment in full or Stated Maturity, or in the case of partial repayment, on such part, unless payment of principal is improperly withheld or unless default is otherwise made with respect to such payments of principal. See "—Principal." To the extent lawful and enforceable, interest on any Defeasance Interest on each Class of Secured Notes entitled thereto will accrue at the interest rate applicable to such Class of Notes, until paid as provided herein. "Defeasance Interest" means any interest due and payable in respect of any Class S Note, Class A Note or Class B Note or if there are no Class S Notes, Class A Notes or Class B Notes outstanding, any Class C Note or if there are no Class S Notes, Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note which, in any such case, is not properly paid or duly provided for on the applicable Payment Date or at Stated Maturity, as the case may be.

Determination of LIBOR

For purposes of calculating each of the Note Interest Rates, the Issuers will appoint as an agent LaSalle Bank National Association (as such capacity, the "Note Calculation Agent"). LIBOR shall be determined by the Note Calculation Agent in accordance with the following provisions:

(1) On the second Business Day prior to the commencement of an Interest Accrual Period (each such day, a "LIBOR Determination Date"), LIBOR ("LIBOR") shall equal the rate, as obtained by the Note Calculation Agent, for Eurodollar deposits for, with respect to the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, a one-month period or, in the case of a designated initial payment period of less than 25 days or, in the case of the first Interest Accrual Period, the linear interpolation thereof, calculated in accordance with generally acceptable methodology, which appears on Bridge Telerate Page 3750 (as Telerate is defined in the International Swap and Derivatives Association, Inc. Annex to the 2000 ISDA Definitions (June 2000 version)), or such page as may replace Bridge Telerate Page 3750, as of 11:00 a.m. (London time) on each LIBOR Determination Date.

(2) If, on any LIBOR Determination Date, such rate does not appear on Bridge Telerate Page 3750, or such page as may replace Bridge Telerate Page 3750, the Note Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to leading banks in the London interbank market for Eurodollar deposits for, with respect to the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, a one-month period or, in the case of a designated initial payment period of less than 25 days or, in the case of the first Interest Accrual Period, the linear interpolation thereof, calculated in accordance with generally acceptable methodology, as an amount determined by the Note Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (London time) on the LIBOR Determination Date made by the Note Calculation Agent to the Reference Banks. If, on any LIBOR Determination Date, at least two of the Reference Banks provided such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any LIBOR Determination Date, only one or none of the Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in the City of New York selected by the Note Calculation Agent (after consultation with the Issuer or the Liquidation Agent on behalf of the Issuer) are quoting on the relevant LIBOR Determination Date for Eurodollar deposits for the applicable period in an amount determined by the Note Calculation Agent (after consultation with the Issuer or the Liquidation Agent on behalf of the Issuer) by reference to the principal London offices of leading banks in the London interbank market; provided, however, that if the Note Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, LIBOR shall be LIBOR as determined on the most recent date LIBOR was available. As used herein, "Reference Banks" means four major banks in the London interbank market selected by the Note Calculation Agent (after consultation with the Issuer or the Liquidation Agent on behalf of the Issuer).

As soon as possible after 11:00 a.m. (New York time) on each LIBOR Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following such LIBOR Determination Date, the Note Calculation Agent will cause notice of each of the Note Interest Rates for the next Interest Accrual Period and the amount of interest for such Interest Accrual Period payable in respect of each U.S.$1,000 principal amount of the Class S Notes (the "Class S Note Interest Amount"), of the Class A-1a Notes (the "Class A-1a Note Interest Amount"), of the Class A-1b Notes (the "Class A-1b Note Interest Amount"), of the Class A-2 Notes (the

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912628
Footnote Exhibits - Page 5727

"Class A-2 Note Interest Amount") of the Class C Notes (the "Class C Note Interest Amount"), of the Class D Notes (the "Class D Note Interest Amount"), and of the Class E Notes (the "Class E Note Interest Amount") (collectively, the "Note Interest Amounts") (each rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date, to be communicated to the Issuers, SPC, Encumbras, Clearing, the Note Paying Agent, the Trustee, the Liquidation Agent, the Securities Intermediary and the Irish Paying Agent (if any) for further delivery to the Irish Stock Exchange (as long as any Class of Notes is listed on such exchange). In the last case, the Note Calculation Agent will furnish such information as soon as possible after its determination to the Irish Paying Agent (if any) as long as any Notes are listed on the Irish Stock Exchange. The Note Interest Amount on any Payment Date of any Class of Notes shall be calculated based on the Outstanding principal balance of such Class prior to the payment of any Amortization Shortfall Amount. The Note Calculation Agent will also specify to the Issuers and the Liquidation Agent the goleton before which each of the Note Interest Rates are based. The Note Calculation Agent shall notify the Issuers and the Liquidation Agent before 12:00 (New York time) on any LIBOR Determination Date if it has not determined and is not in the process of determining the applicable Note Interest Rates and Note Interest Amounts (collectively, the "Note Calculations"), together with its reasons therefor.

"Business Day" means any day other than (x) Saturday or Sunday or (y) a day on which commercial banking institutions are authorized or obligated by law, regulation or executive order to close in New York, New York, Chicago, Illinois, the city of the Corporate Trust Office or, for the purposes of the Credit Default Swap only, London, provided, however, that for the sole purpose of determining LIBOR, "Business Day" shall be defined as any day on which dealings in deposits in U.S. Dollars are transactions in the London interbank market and provided further, that as the extent action is required of the Irish Paying Agent (if any), the location of such Irish Paying Agent shall be considered in determining the "Business Day" for purposes of determining when such Irish Paying Agent action is required.

The Note Calculation Agent may not be removed by the Issuers unless the entity that is serving as Trustee is removed as Trustee. If the Note Calculation Agent is unable or unwilling to act as such or, in accordance with the preceding sentence, is removed by the Issuers, or if the Note Calculation Agent fails to determine the applicable Note Calculations for any Interest Accrual Period, the Issuers will promptly appoint as a replacement Note Calculation Agent a leading bank which is engaged in transactions in Eurodollar deposits in the international Eurodollar market and which does not control or is not controlled by or under common control with the Issuers or their affiliates. The Note Calculation Agent may not resign its duties without a successor having been duly appointed. In addition, if and for so long as any Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, notice of the appointment of any Note Calculation Agent will be published in such stock exchange. For so long as any of the Notes remain outstanding, there will at all times be a Note Calculation Agent for the purpose of calculating the applicable Note Calculations. The determination of the applicable Note Calculations by the Note Calculation Agent shall (to the extent of manifest error) be final and binding upon all parties.

Payments on the Income Notes

The Income Notes will not bear interest based upon any fixed or floating rate.

The Final Agent will receive Proceeds on each Quarterly Payment Date (and make payments to the Holders of the Income Notes) to the extent provided in the Indenture, if any, such Proceeds are available pursuant to clause (vi) (or pursuant to clause (vii) in the case of the Final Payment Date) under "Payments and Payments." Such payments will be made on the Income Notes only after all interest and other payments due on the Secured Notes have been made and all expenses of the Issuers have been paid (with such remaining Proceeds being referred to as "Reserves Amounts"). See "Risk Factors—Notes—Coordination of the Income Notes; Unsecured Obligations." Except as indicated in the Priority of Payments, no principal payments will be made on the Income Notes until principal of, and seconded and unpaid interest on, the Secured Notes, and all other payments, certain fees and expenses, have been paid or made in accordance with the Priority of Payments.

Principal

The Notes (other than the Class 5 Notes) will mature on the Payment Date in July 2042 (such date the "Stated Maturity" with respect to such Notes) and the Class 5 Notes will mature on the Payment Date in July 2031.

Confidential Treatment Requested by Goldman Sachs

GS MSIS-E-0000912629
Footnote Exhibits - Page 5728

1657

Principal will be payable on the Class C Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in August 2007 in an amount equal to the Class B Notes Amortizing Principal Amount with respect to such Payment Date and, if an Event of Default or Tax Event has occurred and is continuing or an Optional Redemption or Auction has occurred and the Hedged Assets are being liquidated pursuant to the terms of the Indenture, the Class C Notes will be paid in full prior to any distributions to any other Notes. Principal will be payable on certain of the Notes on each Payment Date, in accordance with the Priority of Payments. On any Payment Date, on which certain conditions are satisfied, principal will be paid to the Holders of the Class A Notes pursuant to the Priority of Payments, only in an amount required to increase (or maintain) the Class A Adjusted Overcollateralization Ratio to a specified target of 147.1%. After achieving and maintaining such target and minimum, the payment of remaining principal will shift to the Holders of the Class B Notes until such Holders have been paid an amount required to increase (or maintain) the Class B Adjusted Overcollateralization Ratio to the specified target of 131.1%. After achieving and maintaining such target level, the payment of remaining principal shifts to the Holders of the Class C Notes which will receive principal only in an amount required to increase (or maintain) the Class D Adjusted Overcollateralization Ratio to a specified target of 108.1%. However, if the Net Outstanding Portfolio Collateral Balance is less than U.S.$122,000,000 on the Determination Date with respect to the related Payment Date, then only the amount described above to be paid to the Class A Notes will be allocated or paid, such amount to be allocated, first, to the payment pro rata of principal of all outstanding Class B Notes (provided, however, that all principal allocated to the Class A-1 Notes will first be allocated to the Class A-2a Notes until the Class A-1a Notes are paid in full and then to the Class A-1b Notes until the Class A-2b Notes are paid in full and then to the Class A-2b Notes until the Class A-2b Notes are paid in full), second, to the payment of principal of all outstanding Class B Notes until the Class B Notes have been paid in full, third, to the payment of principal of all outstanding Class C Notes until the Class C Notes have been paid in full and forth, to the payment of all outstanding Class D Notes until the Class D Notes have been paid in full. The foregoing “shifting principal” method permits Holders of the Class B Notes, the Class C Notes and the Class D Notes to receive payments of principal in accordance with the Priority of Payments while senior Classes of Notes remain outstanding and permit distributions of Proceeds to the Holders of the Income Notes, to the extent funds are available in accordance with the Priority of Payments, while more senior Notes are outstanding. Accrued and/or unpaid interest to the Priority of Payments to a junior Class of Secured Notes or to the Income Notes will not be recoverable in the event of a subsequent shortfall in the amount required to pay a more senior Class of Secured Notes.

Subject to the availability of funds therefor in accordance with the Priority of Payments, if any of the Coverage Tests are not satisfied on any applicable Determination Date, certain of the Secured Notes (other than the Class B Notes) will be subject to mandatory redemption on the related Payment Date until paid in full. See "— Mandatory Redemption" and the "—Priority of Payments" for a description of the order in which such Notes are paid in connection with the failure of a Coverage Test.

Scheduled Redemption of Income Notes

On or prior to the date that is one (1) Business Day prior to the end of the Due Period applicable to the Monthly Date, the Liquidating Agent will sell, assign, remit or otherwise dispose of all remaining Pledged Assets. The settlement dates for any such sales or other dispositions shall be no later than one (1) Business Day prior to the end of such Due Period. The proceeds of such sales or other dispositions will be paid to the Fiscal Agent after the payment of amounts senior to the Holders of the Income Notes in the Priority of Payments for the income maintained by the Fiscal Agent (the "Income Note Payment Account") and payment to the Holders of the Income Notes as the redemption price for the Income Notes upon such payment. Upon such payment, the issuer shall redeem the Income Notes.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912630
Footnote Exhibits - Page 5729

Auction

Sixty (60) days prior to the Payment Date occurring in July of each year (each, an "Auction Date") commencing on the July 2015 Payment Date, the Liquidation Agent, on behalf of the Issuer, will take steps to conduct an auction (the "Auction") of the Credit Default Swap, the Eligible Investments (other than cash), the Delivered Obligations and the Collateral Securities in accordance with procedures specified in the Indenture. If the Liquidation Agent receives one or more bids from Eligible Bidders not later than ten (10) Business Days prior to the Auction Date, which, when added to the cash on deposit in the Collateral Account, equals or exceeds the Minimum Bid Amount, it will, unless, terminate or otherwise dispose of the Credit Default Swap, Eligible Investments (other than cash), the Delivered Obligations and the Collateral Securities for settlement on or before the fifth Business Day prior to such Auction Date and the Notes and the Income Notes will be redeemed in whole or such Auction Date (any such date, an "Auction Payment Date"). The Liquidation Agent and its affiliates shall be considered Eligible Bidders. If the highest single bid on the entire portfolio, or the aggregate amount of multiple bids with respect to individual Collateral Securities, Eligible Investments (other than cash) and Delivered Obligations, when added to the other Liquidation Proceeds and cash on deposit in the Collateral Account, does not equal or exceed the Minimum Bid Amount or if there is a failure at settlement, the Credit Default Swap will not be terminated or assigned, the Eligible Investments (other than cash), Collateral Securities and the Delivered Obligations will not be sold and the redemption of the Notes on the related Auction Date will not occur.

The Secured Notes will be redeemed in whole at the applicable Secured Note Redemption Price following a successful Auction in accordance with the Priority of Payments. The amount distributable is the final payment on the Income Notes following any such redemption will equal the Income Note Redemption Price, which may be less than the then current Aggregate Outstanding Amount of the Income Notes.

Tax Redemption

Subject to certain conditions described herein, the Secured Notes may be redeemed by the Issuer at any time, in whole but not in part, 90 days following the Issuer becoming aware of the occurrence of a Tax Event (provided that such 90-day period shall be extended by another 90 days if, during the initial 90-day period, the Issuer have notified the Holders of the Notes that the related Issuer expects that it shall have changed its place of residence by the end of the later 90-day period) at their Secured Note Redemption Price or the Income Note Redemption Price, as applicable, at the written election of, or with the written consent of, (i) the Holders of at least a Super Majority of the Issuer Notes or (ii) the Holders of a Majority of any Class of Secured Notes which, as a result of the occurrence of a Tax Event, has not received 100% of the aggregate amount of principal and interest or other amounts due and payable on such Notes on any Payment Date (such redemption, a "Tax Redemption"); provided that no such redemption shall be effected unless the expected Liquidation Proceeds equal or exceed the Total Redemption Amount. If a Tax Redemption occurs, the Issuer Notes will be redeemed simultaneously. In no such Tax Redemption will occur unless all amounts payable to the Credit Protection Buyer or any assignee (including all Credit Default Swap Termination Payments) will have been paid in full, in each case, on the related redemption date.

In connection with a Tax Redemption, the Issuer shall notify the Trustee and the Paying Agent, of such Tax Redemption and the Payment Date which is the date for redemption (the "Tax Redemption Date") and direct the Trustee, in the event of a Tax Redemption, to assign, terminate or otherwise dispose of, in the manner determined by the Liquidation Agent, and in accordance with the Indenture, the Credit Default Swap, Collateral Securities, Eligible Investments and Delivered Obligations and upon any such assignment, termination or other disposition, the Trustee shall release the lien upon the Credit Default Swap or any such Collateral Security, Eligible Investment and Delivered Obligation pursuant to the Indenture, provided, however, that the Issuer may not direct the Trustee to assign, terminate or otherwise dispose of (and the Trustee shall not be obligated to release the lien upon) the Credit Default Swap or any such Collateral Security, Eligible Investment or Delivered Obligation except in accordance with the procedures set forth in the Indenture including, without limitation, the requirement that the Liquidation Agent shall have forwarded to the Trustee binding agreements or certificates evidencing that the Liquidation Proceeds anticipated from the disposition of the Pledged Assets will equal or exceed the Total Redemption Amount. The proceeds available for distribution in connection with a Tax Redemption will be reduced by the amount of expected Credit Default Swap Termination Payments due to the Credit Protection Buyer or any assignee.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912631
The amount payable to the Holders of the Second Notes in connection with any Tax Redemption of the Second Notes will equal the Second Note Redemption Prices thereof. The amount distributable as a final redemption payment on the Income Notes following any redemption of the Second Notes will equal the Income Note Redemption Price.

Optional Redemption

Subject to certain conditions described herein, the Second Notes may be redeemed by the Issuer and the Income Notes may be redeemed by the Issuer, in whole but not in part at their Second Note Redemption Prices or the Income Note Redemption Prices, as applicable, on any Payment Date on or after the July 310 Payment Date, or the written direction of, or with the written consent of, the Holders of a majority of the Income Notes (including Income Notes held by the Liquidation Agent or any affiliate thereof) (such redemption, an "Optional Redemption"); provided that no Optional Redemption shall be effected unless the expected Liquidation Proceeds will equal or exceed the Total Redemption Amount. If the Holders of the Income Notes so elect to cause an Optional Redemption, the Income Notes will be redeemed simultaneously.

In connection with an Optional Redemption, the Issuer shall notify the Trustee and the Fiscal Agent, as applicable, of such Optional Redemption and the Optional Redemption Date and direct the Trustee, in writing, to sell, assign, terminate or otherwise dispose of, in the manner determined by the Liquidation Agent, and in accordance with the Indenture, the Credit Default Swap, Collateral Securities, Eligible Investments and Delivered Obligations and upon any such sale, assignment, termination or other disposition, the Trustee shall release the lien upon the Credit Default Swap, Collateral Securities, Eligible Investments and Delivered Obligations pursuant to the Indenture, provided, however, that the Issuer may not direct the Trustee to assign, terminate or otherwise dispose of (and the Trustee shall not be obligated to release the lien upon the Credit Default Swap or any Collateral Security, Eligible investment or Delivered Obligation except in accordance with the procedures set forth in the Indenture including, but not limited to, the Liquidation Agent shall have forwarded to the Trustee all the required certificates evidencing the Liquidation Proceeds anticipated from the assignment, termination or other disposal of the Credit Default Swap, Collateral Securities, Eligible Investments and Delivered Obligations and other assets of the Issuer will equal or exceed the Total Redemption Amount.

The amount payable to the Holders of the Second Notes in connection with any Optional Redemption of the Second Notes will equal the Second Note Redemption Prices thereof. The amount distributable as a final redemption payment on the Income Notes following any redemption of the Second Notes will equal the Income Note Redemption Price.

Optional Redemption/Tax Redemption Procedures. To conduct an Optional Redemption or a Tax Redemption, the procedures set forth in the Indenture must be followed and any conditions precedent thereto must be satisfied.

If in the event of a Tax Redemption or an Optional Redemption of the Second Notes and the Income Notes, any Holder of an Income Note or, in the case of a Tax Redemption, any Holder of a Second Note affected by a Tax Event, desires to direct the Trustee with respect to the Second Notes and the Issuer with respect to the Income Notes to redeem the Second Notes and the Income Notes, each person shall notify the Principal Note Paying Agent, in the case of a Holder of Second Notes or the Fiscal Agent, in the case of a Holder of Income Notes, which in such case will in turn notify the Trustee (with a copy to the Issuer, the Liquidation Agent and the Credit Protection Buyer(s) of such notice) in writing no less than thirty (30) Business Days prior to such Payment Date. Such notice shall be irrevocable.

The Trustee will provide notice of any Optional Redemption or Tax Redemption by first-class mail, postage prepaid, mailed not less than ten (10) Business Days prior to the scheduled Tax Redemption Date or Optional Redemption Date, as applicable, to the Principal Note Paying Agent, to the Fiscal Agent, to the Credit Protection Buyer, the Rating Agencies and to each Holder of a Second Note at such Holder’s address as the register maintained by the Note Registrar under the Indenture. The Fiscal Agent will provide the same notice to each Holder of an Income Note at such Holder’s address in the Income Notes Register maintained by the Income Notes Trustee Agent pursuant to the Fiscal Agency Agreement. In addition, the Trustee or the Fiscal Agent will, if and for so long as any Class of Second Notes or the Income Notes to be redeemed is listed on the Irish Stock Exchange, direct the

Confidential Treatment Requested by Goldman Sachs
Footnote Exhibits - Page 5731

Irish Paying Agent is (i) cause notice of such Optional Redemption or Tax Redemption to be delivered to the Company Announcements Office of the Irish Stock Exchange not less than ten (10) Business Days prior to the redemption Date and (ii) promptly notify the Irish Stock Exchange of such Optional Redemption or Tax Redemption.

The initial paying agent for the Notes is LaSalle Bank National Association, as Principal Note Paying Agent, and, if and so long as any Notes are listed on the Irish Stock Exchange, the Irish Paying Agent.

Secured Notes or Income Notes called for redemption (other than in the case of an Auction) must be surrendered at the office of any paying agent appointed under the Indenture or the Fiscal Agency Agreement, respectively, in order to receive any final payments on the Notes. The initial paying agent for the Secured Notes and Income Notes is LaSalle Bank National Association and if and for so long as any Notes are listed on the Irish Stock Exchange, the Irish Paying Agent.

Any such notice of redemption will be deemed to be withdrawn in its entirety by the Issuer on the seventh Business Day prior to the scheduled redemption date if the Liquidation Agent shall not have delivered the sale agreement or agreements or certifications, required by the Indenture by such date. In such event, the Trustee shall notify the Fiscal Agent that the notice of redemption has been withdrawn by overnight courier guaranteeing next day delivery sent not later than the sixth Business Day prior to such scheduled redemption date with a copy by facsimile transmission. The Liquidation Agent shall be liable only for the failure to effect an Optional Redemption or Tax Redemption due to the Liquidation Agent’s gross negligence or willful misconduct. Notice of any such withdrawal shall be given at the Issuer’s expense by the Trustee or the Fiscal Agent, as applicable, to each Holder of a Note at the address appearing in the applicable register maintained by the Note Transfer Agent under the Indenture or the Income Notes Transfer Agent under the Fiscal Agency Agreement, as applicable, by overnight courier guaranteeing next day delivery sent not later than the third Business Day prior to the scheduled redemption date, with a copy by facsimile transmission to the Credit Protection Buyer, the Liquidation Agent and the Rating Agencies (as long as any of the Notes are rated). The Trustee or the Fiscal Agent will also give notice to the Irish Paying Agent if any Notes are then listed on the Irish Stock Exchange.

Mandatory Redemption

On any Payment Date on which the Class A/B Overcollateralization Test was not satisfied on the last Business Day of the immediately preceding Due Period (such Business Day, the “Determination Date”), the Class A Notes and the Class B Notes will be redeemed at par plus accrued interest as follows:

If the Class A/B Overcollateralization Test is not satisfied on any Determination Date related to a Payment Date after giving effect to all payments of principal on such Payment Date (without giving effect to any payments pursuant to clause (v) or clause (vii) of the Priority of Payments, all Proceeds set as amounts payable under clauses (i) through (vii) of the Priority of Payments will be used, first, pro rata, in the payment of principal of the Class A-1a Notes and the Class A-1b Notes until the Class A-1a Notes are paid in full, second, to the payment of principal of the Class A-2 Notes until the Class A-2 Notes are paid in full, and third, to the payment of principal of the Class B Notes until the Class B Notes are paid in full. The Class B Notes, the Class C Notes, the Class D Notes and the Income Notes will not be subject to mandatory redemption as a result of the failure of the Class A/B Overcollateralization Test.

If the Class C Overcollateralization Test is not satisfied on any Determination Date related to a Payment Date after giving effect to all payments of principal on such Payment Date (without giving effect to any payments pursuant to clause (v) or clause (vii) of the Priority of Payments), (a) Amortization Proceeds only set as amounts payable under clauses (i) through (vii) of the Priority of Payments will be applied pro rata (i) in the payment of principal of all outstanding Class A Notes, (ii) in the payment of principal of all outstanding Class B Notes and (iii) in the payment of principal of all outstanding Class C Notes, until the Class A Notes, the Class B Notes and the Class C Notes are paid in full, provided that, if the Net Outstanding Portfolio Collateral Balance is less than U.S.$12,900,000 on the Determination Date with respect to the related Payment Date, then such amount will be applied first, pro rata (i) to the payment of principal of the Class A-1a Notes and the Class A-1b Notes until the Class A-1a Notes and the Class A-1b Notes are paid in full, second (ii) to the payment of principal of the Class A-2 Notes until the Class A-2 Notes are paid in full, and third (iii) to the payment of principal of the Class B Notes until the
Footnote Exhibits - Page 5732

Class B Notes are paid in full and fourth (iv) to the payment of principal of the Class C Notes until the Class C Notes are paid in full, and (v) any remaining Proceeds to the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full. The Class S Notes, the Class D Notes and the Income Notes will not be subject to mandatory redemption as a result of the failure of the Class C Overcollateralization Test.

If the Class D Overcollateralization Test is not satisfied on any Determination Date related to a Payment Date (together with the Class A/B Overcollateralization Test and the Class C Overcollateralization Test, the "Coverage Tests"), amounts available pursuant to clause (vi) of the Priority of Payments, will be applied to the payment of principal of all outstanding Class D Notes until the Class D Notes are paid in full. The Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Income Notes will not be subject to mandatory redemption as a result of the failure of the Class D Overcollateralization Test.

The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes and the Class D Notes and whether Proceeds will be distributed to the Holders of the Income Notes, and whether Proceeds must be used to make mandatory redemptions of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes. See "Description of the Notes—Principal" and "—Priority of Payments." The Coverage Tests will consist of the Class A/B Overcollateralization Test, the Class C Overcollateralization Test and the Class D Overcollateralization Test. For purposes of the Coverage Tests, (i) unless otherwise specified, a CDS Transaction shall be included as a Pledged Asset having the characteristics of the Reference Obligation and not of the CDS Transaction, provided, that if such Credit Protection Hydro is in default under the related CDS Transaction, each CDS Transaction shall not be included as a Collateral Asset for purposes of the Coverage Tests or such CDS Transactions will be treated in such a way that will satisfy the Rating Agency Conditions and (ii) the calculation of the Class A/B Overcollateralization Ratio, the Class C Overcollateralization Ratio and the Class D Overcollateralization Ratio on any Determination Date that such Coverage Test is applicable shall be made by giving effect to all payments scheduled or expected to be made pursuant to the Priority of Payments on the Payment Date following such Determination Date. For purposes of each of the Class A/B Overcollateralization Test, the Class C Overcollateralization Test and the Class D Overcollateralization Test, notwithstanding the definition of Principal Balance contained herein, the Principal Balance of any security that is not currently paying cash interest (excluding any security that is, in accordance with its terms, making payments due "when in default") shall be the accrued value of such security as of the date on which it was purchased by the Issuer, provided, that such accrued value shall not exceed the par amount of such security.

The Class A/B Overcollateralization Test

The "Class A/B Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date by (ii) the Aggregate Outstanding Amount of the Class A Notes and the Class B Notes, minus the Amortization Proceeds expected to be available prior to clause (vi) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

The "Class A/B Overcollateralization Test" will be satisfied on any Determination Date on which any Class A Notes or Class B Notes remain outstanding if the Class A/B Overcollateralization Ratio as of such Determination Date is equal to or greater than 116.0%. As of the Closing Date, the Class A/B Overcollateralization Ratio is expected to be equal to 119.5%.

The Class C Overcollateralization Test

The "Class C Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance as of such Determination Date by (ii) the Aggregate Outstanding Amount of the Notes (other than the Class S Notes, the Class D Notes and the Income Notes, and including Class C Deferred Interest), minus the Amortization Proceeds expected to be available prior to clause (vi) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

The "Class C Overcollateralization Test" will be satisfied on any Determination Date on which any Class C Notes remain outstanding if the Class C Overcollateralization Ratio as of such Determination Date is equal to or
Footnote Exhibits - Page 5733

greater than 109.9%. As of the Closing Date, the Class D Overcollateralization Ratio is expected to be equal to 111.7%.

The Class D Overcollateralization Test

The "Class D Overcollateralization Ratio" of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date by (ii) the Aggregate Outstanding Amount of the Notes (other than the Class D Notes and Income Notes and including Class C Defeased Interest and Class D Defeased Interest) (other giving effect to the application of funds pursuant to clause (iii) of the Priority of Payments on the related Payment Date), assuming that the Collateral Tests are satisfied.

The "Class D Overcollateralization Test" will be satisfied on any Determination Date on which any Class D Notes remain outstanding if the Class D Overcollateralization Ratio on such Determination Date is equal to or greater than 109.9%. As of the Closing Date, the Class D Overcollateralization Ratio is expected to be equal to 127.4%.

Cancellation

All Notes that are released or paid and surrendered for cancellation as described herein will forthwith be cancelled and may not be reissued or reoffered.

Payments

Payments on any Payment Date in respect of principal of and interest on the Notes issued in Global Notes will be made to the persons in whose name the relevant Global Note is registered at the close of business on the Business Day prior to such Payment Date. For the Notes issued in definitive form, payment on any Payment Date in respect of principal, interest and other distributions will be made to the persons in whose name the relevant Security is registered as of the close of business 10 Business Days prior to such Payment Date. Payments on the Global Notes will be payable by wire transfer in immediately available funds to a U.S. Dollar account maintained by DTC or its nominee (in the case of the Global Notes) or each Holder (in the case of individual Definitive Notes) at the address appearing in the applicable register. Final payments in respect of principal on the Notes will be made only against surrender of the Notes at the office of any paying agent. None of the Issuers, the Securities Intermediary, the Trustee, the Liquidity Agent, the Credit Protection Buyer or any paying agent will have any responsibility or liability for any aspects of the records maintained by DTC or its nominee or any of its participants relating to, or for payments made by it on account of beneficial interests in, a Global Note.

The Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note held by DTC or its nominee, will immediately credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in such Global Notes as shown on the records of DTC or its nominee. The Issuers also expect that payments by participants to owners of beneficial interests in such Global Notes held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

If any payment on a Note is due on a day that is not a Business Day, then payment will not be made until the next succeeding Business Day.

"If paid for so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Issuers will have a paying agent and a transfer agent in accordance with the requirements of the rules of such exchange for such Notes and pursuant to and transfers or exchanges of interest in such Notes may be effected through the Irish Paying Agent. In the event that the Irish Paying Agent (if any) is replaced at any time during such
period, notice of the appointment of any replacement will be given to the Irish Stock Exchange if and as long as any Notes are listed thereon.

Amortization Amounts

Two Business Days prior to each Payment Date, to the extent there is a positive Aggregate Amortization Amount for such Payment Date determined as of the related Determination Date, pursuant to the Amortization Liquidation Procedure, an amount (such amount, the "Amortization Proceeds" with respect to such Payment Date) equal to up to the Aggregate Amortization Amount shall be withdrawn by the Trustee and deposited in the Payment Account for application in accordance with the Priority of Payments on such Payment Date.

If at any Payment Date there exists an Amortization Shortfall Amount, the Collateral Account Amount shall be deemed to be reduced by the full Aggregate Amortization Amount and the Trustee shall calculate and maintain a record of, how much Amortization Shortfall Amount would have been paid out on a pro forma basis on such Payment Date in accordance with the Priority of Payments had the amount available pursuant to the Amortization Liquidation Procedure from the Collateral Account on such Payment Date been equal to the full Aggregate Amortization Amount. In such case, immediately following any Payment Date on which no Amortization Shortfall Amount occurred, all principal payments received by the Issuer on the Collateral Securities and the Eligible Investments in the Collateral Account up to an amount equal to such Amortization Shortfall Amount shall be deposited by the Trustee in the Amortization Shortfall Account. Amounts on deposit in the Amortization Shortfall Account shall be applied by the Trustee on the immediately following Payment Date for the purposes and to the Persons that would have otherwise received such amounts in accordance with the calculations (and records) of the Trustee maintained pursuant to the first sentence of this paragraph. At the(extent) there remains any unsatisfied Amortization Shortfall Amount on the next Payment Date, for purposes of calculating the Amortization Proceeds on each Payment Date the Principal Balance of the Collateral Securities and Eligible Investments on deposit in the Collateral Account shall be reduced by the amount of any unsatisfied Amortization Shortfall Amount from any prior Payment Date.

Priority of Payments

With respect to any Payment Date, all Proceeds received on the Pledged Assets during the related Due Period in the Interests Collection Account will be applied by the Trustee in the priority set forth below (the "Priority of Payments") for purposes of the Priority of Payments, amounts paid as interest, fees or distributions on the Notes on a "pro rata" basis shall be pro rata based on the amount due on each Class or select class of Notes, amounts paid as principal shall be made pro rata based on the amount of principal then outstanding on each Class or select class of Notes and, unless stated otherwise, Proceeds not constituting Amortization Proceeds will be assumed to be applied prior to any Amortization Proceeds.

Amounts due in respect of Defaulted Credit Default Swap Termination Payments shall be deposited into the Payment Account and paid in accordance with the Priority of Payments on each Payment Date. Credit Protection Amounts due to the Credit Protection Buyer (or any assignees thereof) will be paid when due pursuant to the terms of the Credit Default Swap.

On the Business Day prior to each Payment Date (other than a Final Payment Date), the Trustee will transfer all funds then on deposit in the Interests Collection Account (other than amounts received after the end of the related Due Period) into the Payment Account. On such Payment Date (other than a Final Payment Date), amounts in the Payment Account will be applied by the Trustee pursuant to the Note Valuation Report in the manner and order of priority set forth below:

i. to the payment of taxes and filing and registration fees (including, without limitation, annual returns fees) owed by the Issuer, if any;

ii. to the payment of accrued and unpaid fees of the Trustee up to a maximum amount on any Payment Date equal to the greater of U.S.$2,083 and 0.00208% of the Monthly Asset Amount for

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912636
the related Due Period (or, in the case of the first Due Period, as such amounts are adjusted based on the number of days in such Due Period);

iii. (a) first, to the payment of any remaining accrued and unpaid Administrative Expenses of the Issuer, excluding any indemnification (and legal expenses related thereto) payable by the Issuer first, to the Trustee, the Collateral Administrator, the Fiscal Agent and the Trustee Notes Transfer Agent and second, pro rata, to any other parties entitled thereto; (b) second, to the payment of any indemnification (and legal expenses related thereto) payable by the Issuer first, to the Trustee, the Collateral Administrator and the Fiscal Agent and second, pro rata, to any other parties entitled thereto; and (c) third, to the Reserve Account the Issuer of U.S. $50,000 and the amount necessary to bring the balance of such account to U.S.$300,000, provided, however, that the aggregate payments pursuant to subclauses (a) through (c) of this clause (iii) on any Payment Date shall not exceed U.S.$300,000 and the aggregate payments pursuant to subclauses (a) and (b) of this clause (iii) and the prior 11 Payment Dates shall not exceed U.S.$300,000;

iv. to the payment of, (a) first, accrued and unpaid interest on the Class S Notes (including Defaulted Interest and interest thereof) and beginning with the Payment Date occurring in August 2007, principal of the Class S Notes in an amount equal to the Class S Notes Amortizing Principal Amount until the Class S Notes are paid in full, and (b) second, if an Event of Default or Tax Event shall have occurred and is continuing or an Optional Redemption or Acceleration has occurred and the Pledged Assets are being liquidated pursuant to the terms of the Indenture, to the payment of principal in the Class S Notes until the Class S Notes are paid in full;

v. to the payment to the Liquidation Agent of the accrued and unpaid Liquidation Agent Fee;

vi. to the payment of, (a) first, pro rata, accrued and unpaid interest on the Class A Notes (including any Defaulted interest and interest thereof) and (b) second, accrued and unpaid interest on the Class B Notes (including any Defaulted Interest and any interest thereof);

vii. if the Class A/B Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to any payments of principal on such Payment Date (without giving effect to any payments pursuant to this clause (vii) at clauses (b) and (c) below), then (a) first, pro rata, to the payment of principal of all outstanding Class A-1a Notes and Class A-1b Notes until the Class A-1a Notes and the Class A-1b Notes are paid in full, second, to the payment of principal of all outstanding Class A-2 Notes until the Class A-2 Notes are paid in full, and third, to the payment of principal of all outstanding Class B Notes until the Class B Notes are paid in full;

viii. to the payment of accrued and unpaid interest on the Class C Notes (including Defaulted Interest and any interest thereof but not including Class C Defaulted Interest);

ix. if the Class C Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to any payments of principal on such Payment Date (without giving effect to any payments pursuant to this clause (a) or clause (b) below), then (a) first, pro rata, Amortization Proceeds only (i) to the payment of principal of all outstanding Class A Notes, (ii) to the payment of principal of all outstanding Class B Notes and (iii) to the payment of principal of all outstanding Class C Notes, until the Class A Notes, the Class B Notes and the Class C Notes are paid in full, provided, however, that if the Net Outstanding Portfolio Collateral Balance is less than U.S.$135,000,000 on the Determination Date with respect to the related Payment Date then such amount will be paid first (i) pro rata, to the payment of principal of all outstanding Class A-1 Notes until the Class A-1 Notes are paid in full, second (ii) to the payment of principal of all outstanding Class A-2 Notes until the Class A-2 Notes are paid in full, third (iii) to the payment of principal of all outstanding Class B Notes until the Class B Notes are paid in full and fourth (iv) to the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full, and (b) any remaining Proceeds in the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full,
x. in the payment of accrued and unpaid interest on the Class D Notes (including Defaulted Interest and any interest thereon but not including Class D Deferred Interest);

xi. to the payment of principal of first, pro rata, the Class A Notes up to the amount specified in clause (b)(1) below, provided, however, that all principal allocated to the Class A-1 Notes will first be allocated to the Class A-1 Notes until the Class A-1 Notes are paid in full and then to the Class A-1b Notes until the Class A-1b Notes are paid in full, second, to the payment of principal of the Class B Notes up to the amount specified in clause (b)(2) below, third, to the payment of principal of the Class C Notes up to the amount specified in clause (b)(3) below, and, fourth, to the payment of principal of the Class D Notes up to the amount specified in clause (b)(4) below, in an aggregate amount equal to the lesser of (a) the Amortization Proceeds received or held during the related Due Period, and (b) the sum of (1) the amount necessary to increase the Class A Adjusted Overcollateralization Ratio to or maintain it at 147.1%, plus (2) the amount necessary to increase the Class B Adjusted Overcollateralization Ratio to or maintain it at 131.0%, plus (3) the amount necessary to increase the Class C Adjusted Overcollateralization Ratio to or maintain it at 114.7%, plus (4) the amount necessary to increase the Class D Adjusted Overcollateralization Ratio to or maintain it at 108.1% provided that, if the Net Outstanding Portfolio Collateral Balance is less than U.S.$122,000,000 on the Determination Date with respect to the related Payment Date, then only the amount described in sub-clause (a) of this clause (xi) will be applied, first, pro rata, to the payment of principal of all outstanding Class A-1 Notes and Class A-2 Notes until the Class A-1 Notes and Class A-2 Notes are paid in full, provided, however, that all principal allocated to the Class A-1 Notes will first be allocated to the Class A-1 Notes until the Class A-1 Notes are paid in full and then to the Class A-1b Notes until the Class A-1b Notes are paid in full, second, to the payment of principal of all outstanding Class B Notes until the Class B Notes are paid in full, third, to the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full and, fourth, to the payment of principal of all outstanding Class D Notes until the Class D Notes are paid in full;

xii. if the Class D Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to any payments pursuant to this clause (xii), then, in the payment of principal of all outstanding Class D Notes until the Class D Notes are paid in full;

xiii. first, to the payment of principal of the Class C Notes in an amount equal to that portion of the principal of the Class C Notes comprising of Class C Deferral Interest unpaid after giving effect to payments under clauses (iv) and (v) above (amounts will be considered unpaid for this purpose if the principal balance of the Class C Notes after giving effect to clauses (iv) and (v) above exceeds any previous lowest amount outstanding) and second, to the payment of principal of the Class D Notes in an amount equal to that portion of the principal of the Class D Notes comprising of Class D Deferral Interest unpaid after giving effect to payments under clauses (iv) and (v) above (amounts will be considered unpaid for this purpose if the principal balance of the Class D Notes after giving effect to clauses (iv) and (v) above exceeds any previous lowest amount outstanding);

xiv. after the Payment Date occurring in July 2015, first, to the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full and, second, to the payment of principal of all outstanding Class D Notes until the Class D Notes are paid in full;

xv. to the payment of any unpaid Defaulted Swap Termination Payments;

xvi. first (a) to the payment of any remaining accrued and unpaid Administrative Expenses of the Issuers not paid pursuant to clauses (ii) and (iii) above (as the result of the limitations on amounts set forth therein) in the same order of priority set forth above in clause (c) excluding any indemnities (and legal expenses related thereto) payable by the Issuer, second, (b) to the payment, pro rata, of any indemnities (and legal expenses related thereto) payable by the Issuers not paid pursuant to clause (b) above (as the result of the limitations on amounts set forth therein) in the
the payment of the Class D Notes Amortizing Principal Amount;

viii. on Quarterly Payment Dates only, any remaining amount to the Fiscal Agent for deposit into the Income Note Payment Account for payment to the Holders of the Income Notes; and

ix. on each Payment Date, any remaining amount to be deposited to the Interest Collection Account for distribution on the next Payment Date.

On the Business Day prior to the Final Payment Date, the Trustee will transfer all funds then on deposit in the Interest Collection Account into the Payment Account and, after the liquidation of (i) the Credit Default Swap, (ii) the Collateral Securities and Eligible Investments in the Collateral Account, (iii) the Amortization Proceeds drawn from the Collateral Account to the Payment Account and (iv) the Delivered Obligations and Eligible Investments in the Delivered Obligation Account, the Trustee will deposit all proceeds thereafter, into the Payment Account. On the Final Payment Date, amounts in the Payment Account will be applied by the Trustee pursuant to the Note Valuation Report in the manner and order of priority set forth below:

i. to the payment of the amounts referred to in clauses (i) through (vi) of the Priority of Payments for Payment Dates which are not Final Payment Dates, in such order (without regard to the limitations in clause (ii)), provided that no deposit shall be made to the Expense Reserve Account pursuant to subclause (iii),

ii. first, pro rata, to the payment of the Class A-1a Notes and the Class A-1b Notes, in each case, the amount necessary to pay the outstanding principal amount of such Notes in full;

iii. to the payment to the Class A-2 Notes, the amount necessary to pay the outstanding principal amounts of such Notes, in full;

iv. to the payment to the Class B Notes, the amount necessary to pay the outstanding principal amount of such Notes in full;

v. to the payment to the Class C Notes, the amount necessary to pay accrued and unpaid interest on and the outstanding principal amount of such Notes (including any Deferred Interest and Defeasance Interest and any interest thereon) in full,

vi. to the payment to the Class D Notes, the amount necessary to pay accrued and unpaid interest on and the outstanding principal amount of such Notes (including any Deferred Interest and Defeasance Interest and any interest thereon) in full,

vii. to the payment of the amounts referred to in clause (vi) of the Priority of Payments for Payment Dates that are not Final Payment Dates, and

viii. any remaining amount to the Fiscal Agent for deposit in the Income Note Payment Account for payment to the Holders of the Income Notes.

Up to payment in full of the last outstanding Secured Note, the Issuer (or the Liquidation Agency acting pursuant to the Liquidation Agency Agreement on behalf of the Issuer) will liquidate any remaining Pledged Assets, including the Credit Default Swap, the Eligible Investments, the Collateral Securities, the Delivered Obligations and any other items comprising the Pledged Assets and deposit the proceeds thereof in the Interest Collection Account. The net proceeds of such liquidation and all available cash (other than the U.S.$250 of capital contributed by the Issuer) shall be paid in accordance with the Priority of Payments set forth herein.
Footnote Exhibits - Page 5738

owners of the Issuer's Ordinary Shares in accordance with the Issuer's Memorandum and Articles of Association and U.S. $250 representing a transaction fee to the Issuer and any interest income earned on such amounts) will be distributed in accordance with the Priority of Payments for Final Payment Dates and all amounts remaining therefor will be distributed to the Holders of the Income Notes as a redemption payment whenever all of the Notes and the Income Notes will be canceled.

Income Notes

The final payment on the Income Notes will be made by the Issuer on the Maturity Date, unless redeemed or retired prior thereto in accordance with the Priority of Payments.

The Indenture

The following summary describes certain provisions of the Indenture. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture.

Event of Default: An "Event of Default" under the Indenture includes:

i. a default in the payment, when due and payable, of any interest on any Class A Note or Class B Note or, if there are no Class A Notes or Class B Notes outstanding, any Class C Note or, if there are no Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note and a continuation of such default, in each case, for a period of 7 days (or, in the case of a default in payment resulting solely from an administrative error or omission by the Trustee, any Note Paying Agent or the Note Registrar, such default extends for a period of 7 days after the Trustee is made actually aware of such administrative error or omission);

ii. a default in the payment of principal due on any Secured Note at its Stated Maturity or on any Redemption Date (or, in the case of a default in payment resulting solely from an administrative error or omission by the Trustee, any Note Paying Agent or the Note Registrar, such default continues for a period of 7 days after the Trustee is made actually aware of such administrative error or omission);

iii. the failure on any Payment Date to distribute amounts (other than in payment of interest or any Secured Note at its Stated Maturity or any amounts for redemption as described in (i) and (ii)) above in the Payment Account in excess of $100 in accordance with the Priority of Payments and a continuation of such failure for a period of 7 days after such failure has been recognized by the Trustee;

iv. a circumstance in which either of the Issuers becomes an investment company required to be registered or the Pledged Assets or any portion thereof becomes subject to regulation under the Investment Company Act;

v. a default, which has a material adverse effect on the Holders of the Secured Notes (as determined by at least a Majority, by interest, of the Controlling Class), in the performance, or breach, of any covenant, representation, warranty or other agreement of the Issuers in the Indenture (it being understood that a failure to satisfy a Coverage Test is not a default or breach) or in any certificate or writing delivered pursuant to the Indenture, or if any representation or warranty of the Issuers made in the Indenture or in any certificate or writing delivered pursuant thereto proves to be incorrect in any material respect when made, and the continuation of such default or breach for a period of 30 days after notice thereof shall have been given to the Issuers and the Liquidation Agent by the Trustee or to the Issuers, the Liquidation Agent and the Trustee by at least a Majority, by interest, of the Controlling Class;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912640
vi. the Credit Default Swap is terminated (without replacement) (excluding a termination, in part, in connection with the assignment, termination or revision of a CDS Transaction); and

vii. certain events of bankruptcy, insolvency, receivership or reorganization of either of the Issuers.

If an Event of Default should occur and be continuing, the Trustee may and will (i) if the Credit Protection Buyer is in default under the Credit Default Swap, as the directions of not less than a Majority of the Class B Notes, the Class A Notes and the Class B Notes (the Class B Notes, the Class A Notes and the Class B Notes voting as a single class), for so long as any Class B Notes, Class A Notes or Class B Notes are Outstanding; if no Class B Notes, Class A Notes or Class B Notes are Outstanding, then the Class C Notes, for so long as any Class C Notes are Outstanding; and if no Class B Notes, Class A Notes, Class B Notes or Class C Notes are Outstanding, the Class D Notes, for so long as any Class D Notes are Outstanding; and otherwise (a) at the direction of the Holders of at least a Majority of the Controlling Class, declare the principal of and accrued and unpaid interest on all Second Notes to be immediately due and payable (except that in the case of an Event of Default described in clause (vi) or (vii) above, such acceleration will occur automatically and shall not require any action by the Trustee or any Second Noteholder).

If an Event of Default should occur and be continuing, the Trustee is required to reinvest the Pledged Assets intact and collect all payments in respect of the Pledged Assets and continue making payments in the manner described under Priority of Payments unless (a) the Trustee determines (without determination being based upon a certificate from the Liquidation Agent) that the anticipated proceeds of a sale or liquidation of the Pledged Assets based on an estimate obtained from a reasonably recognized investment banking firm (which estimate takes into account the time elapsed between such estimate and the anticipated sale of the Pledged Assets) would result in the amount necessary to pay in full (after deducting the reasonable expenses of such sale or liquidation) the sum of (i) the principal (including any Class C Deferred Interest and Class D Deferred Interest) and accrued interest (including all Deferred Interest and interest thereon) and any other amounts due with respect to all the outstanding Second Notes; (ii) all Administrative Expenses; (iii) any unpaid amounts due the Credit Protection Buyer and any unpaid amounts due any assignee of a CDS Transaction net of amounts payable to the Issuer by the Credit Protection Buyer or assignee of a CDS Transaction; and (iv) all other items in the Priority of Payments ranking prior to payments on the Second Notes, and, in any case, the Holders of a Majority of the Controlling Class agree with such determination or (b) the requisite Holders of Notes as determined pursuant to the Indenture or the Holders of a Super Majority of the Controlling Class (whichever directed the acceleration of the Second Notes payment in the preceding paragraph) direct, subject to the provisions of the Indenture, the sale and liquidation of the Pledged Assets.

The Holders of a Majority of the Controlling Class will have the right to direct the Trustee in writing in the conduct of any proceedings on or in the sale of any or all of the Pledged Assets, but only if (i) such direction will not conflict with any rule of law or the Indenture (including the limitations described in the paragraph above) and (ii) the Trustee determines that such action will not involve it in liability (unless the Trustee has received an indemnity which is reasonably acceptable to the Trustee against any such liability).

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default with respect to the Second Notes occurs and in continuing, the Trustee is under no obligation to exercise any of the rights or powers restricted by the Indenture at the request of any Holders of Second Notes, unless such Holders shall have offered to the Trustee reasonable security or an indemnity which is reasonably acceptable to the Trustee. The Holders of a Majority of the Controlling Class may waive any default with respect to the Second Notes, except (a) a default in the payment of principal or interest on any Second Note; (b) failure on any Payment Date to disburse amounts available in the Payment Account in accordance with the Priority of Payments and coordination of such failure for a period of seven (7) days; (c) certain events of bankruptcy or insolvency with respect to the Issuers; or (d) a default in respect of a provision of the Indenture that cannot be modified or amended without the waiver or consent of the Holder of each outstanding Note adversely affected thereby.

Furthermore, any declaration of acceleration of maturity of the Second Notes may be revoked and annulled by the requisite Holders of Notes as determined pursuant to the Indenture or the Holders of a Majority of the Controlling Class, as applicable, before a judgment or decree for the payment of money has been obtained by the Trustee or the Pledged Assets have been sold or furnished to whole or in part, by notice to the Issuers and the
Footnote Exhibits - Page 5740

Trustee, if (a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay, in accordance with the Priority of Payments, the principal and accrued interest (including all Defeasance Interest and the Interest reserve), discount or other unpaid amounts with respect to the outstanding Secured Notes and any other administrative expenses, fees or other amounts that, under the Transaction Documents and pursuant to the Priority of Payments, are payable prior to the payment of the principal of and interest on the outstanding Secured Notes, and (b) the Trustee has determined that all other terms of Default, other than the non-payment of the interest on or principal of the outstanding Secured Notes that have become due solely by such acceleration, have been cured and the Holders of a Majority of the Controlling Class by action in the Trustee have agreed with such determination (which agreement shall not be unreasonably withheld) or waived such Event of Default in accordance with the provisions set forth in the Indenture.

Only the Trustee may pursue the remedies available under the Indenture or the Secured Notes and any Holder of a Secured Note will have the right to institute any proceeding with respect to the Indenture, its Note, or otherwise unless (i) such Holder previously has given to the Trustee written notice of a continuing Event of Default, (ii) except as the case of a default in the payment of principal or interest, the Holders of at least 25% by Aggregate Outstanding Amount, of the Controlling Class have made a written request upon the Trustee to institute such proceeding in its own name as Trustee and such Holders have offered the Trustee an indemnity which is reasonably acceptable to the Trustee, (iii) the Trustee has for 60 days failed to institute any such proceeding, and (iv) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by the Holders of a Majority of the Controlling Class.

In determining whether the Holders of the requisite percentage of Secured Notes have given any direction, notice or consent, Secured Notes owned by the Issuer, the Co-Issuer or any Affiliate thereof shall be disregarded and deemed not to be outstanding. In addition, Holders of Income Notes will not be considered to be affiliates of the Issuer or Co-Issuer by virtue of such ownership of Secured Notes.

Notice: Notices to the Holders of the Secured Notes shall be given by first-class mail, postage prepaid, to each Noteholder at the address appearing in the applicable note register. In addition, if and for so long as any of the Secured Notes are listed on the Irish Stock Exchange and in the notes of each exchange so require, notices to the Holders of such Secured Notes shall also be published by the Irish Listing Agent in the official list therefor if otherwise required by the rules of such exchange.

Modification of the Indenture. Without obtaining the consent of Holders of the Notes, the Issuer and the Trustee may enter into one or more supplemental indentures for any of the following purposes:

(i) to evidence the succession of any person to either the Issuer or Co-Issuer and the assumption by any such successor of the covenants of the Issuer or Co-Issuer in the Notes, the Fiscal Agency Agreement and under the Indenture;

(ii) to add to the covenants of the Issuer or the Trustee for the benefit of the Holders of the Notes or to suspend any right or power conferred upon the Issuer;

(iii) to convey, transfer, assign, mortgage or pledge any property to the Trustee, or add to the conditional, limitations or restrictions on the authorized amount, terms and purposes of the Issue, authentication and delivery of the Notes;

(iv) to evidence and provide for the acceptance of appointment by a successor trustee and to add to or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the trusts under the Indenture by more than one Trustee;

(v) to consent or agree to any change in any of the covenants contained in the Indenture, or to other matters, convey, and confirm unto the Trustee any property subject or required to be subject to the security interest created by the Indenture, or to better name, convey, and confirm unto the Trustee any property subject or required to be subject to the security interest created by the Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulation) or subject to the security interest created by the Indenture any additional property;

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-000912642
Footnote Exhibits - Page 6741

(iv) to otherwise correct any inconsistency or cure any ambiguity or manifest error or correct or supplement any provisions contained in the Indenture which may be defective or inconsistent with any provision contained in the Indenture or make any modification that is of a formal, minor or technical nature or which is made to correct a manifest error;

(vii) to take any action necessary or advisable to prevent the Issuer, the Trustee, any Note Paying Agent or the Fiscal Agent from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise being subject to United States federal, state or local income tax or a net income basis;

(viii) to conform the Indenture to the descriptions contained in the Offering Circular;

(ix) to comply with any reasonable requests made by the Irish Stock Exchange in order to list or maintain the listing of any Notes on such stock exchange; or

(x) to make any other change for the purpose of adding any provision to, or changing in any manner or eliminating any of the provisions of, the Indenture or any other Transaction Document, provided however that such changes would have no material adverse effect on any of the Notes (which may be evidenced by an opinion of counsel or a Nonholder Poll (as hereinafter defined)).

With the written consent of the Holders of (a) at least a Majority, by Aggregate Outstanding Amount, of the Secured Notes materially adversely affected thereby (voting together as a single class) and (b) at least a Majority of the Income Notes materially adversely affected thereby, the Trustee and the Issuers may exercise a supplemental indenture to add provisions to, or change in any manner or eliminate any provisions of, the Indenture or modify in any manner the rights of the Holders of the Notes.

Notwithstanding anything in the Indenture to the contrary, without the written consent of each Nonholder of each Class adversely affected thereby no supplemental indenture may:

(i) change the stated Maturity of the principal of or the due date of any installment of interest or premium on a Note; reduce the principal amount thereof or the rate of interest thereon, or the applicable Redeemable Note Redemption Price with respect thereto, change the earliest date on which a Note may be redeemed, change the provisions of the Indenture relating to the application of proceeds of any Pledged Asset to the payment of principal of or interest on Notes or change any place where, or the day or currency in which, Notes or the principal thereof or interest thereon are payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof or other due date thereof (or, in the case of redemption, on or after the Redeemable Date);

(ii) reduce the percentage in aggregate principal amount of Holders of the Notes of each Class whose consent is required for the authorization of any supplemental indenture or for any waiver of compliance with certain provisions of the Indenture or certain defaults under the Indenture or their consequences;

(iii) impair or otherwise affect the Pledged Assets except as otherwise permitted by the Indenture;

(iv) permit the creation of any security interest in or on any property with the security interest created by the Indenture with respect to any part of the Pledged Assets to diminish the holder of any Note, the Trustee, the Secured Party of the security afforded by the Indenture or the holder of any Note Paying Agent's or Fiscal Agent's interest in any property at any time subject thereto to deprive the holder of any Note, the Trustee or any other Secured Party of the security afforded by the Indenture; and

(v) reduce the percentage of Holders of the Notes of each Class whose consent is required to request the Trustee to preserve the Collateral Assets or rescind the Trustee's election to preserve the Collateral Assets or to sell or liquidate the Collateral Assets pursuant to the Indenture;
Footnote Exhibits - Page 5742

(vi) modify any of the provisions of the Indenture with respect to supplemental indentures, except to increase the percentage of Outstanding Notes whose Holders’ consent is required for any such action or to provide that other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note adversely affected thereby;

(vii) modify the definition of the term “Outstanding,” or the Priority of Payments set forth in the Indenture;

(viii) modify any of the provisions of the Indenture in such a manner as to affect the calculation of the amount of any payment of interest on or principal of any Issued Note or modify any amount distributable to the Fiscal Agent for payment to the Holders of the Issued Notes on any Quarterly Payment Date or to affect the right of the Holders of the Notes or the Trustee to the benefits of any provisions for the redemption of such Notes contained therein;

(ix) amend any provision of the Indenture or any other agreement entered into by the Issuer with respect to the transactions contemplated by the Indenture relating to the institution of proceedings for the Issuer or the Co-Issuer to be adjudicated as bankrupt or insolvent, or the consent of the Issuer or the Co-Issuer to the institution of bankruptcy or insolvency proceedings against it, or the filing with respect to the Issuer or the Co-Issuer of a petition or answer or consent seeking reorganization, arrangement, reorganization or liquidation proceedings, or other proceedings under the United States Bankruptcy Code or any similar laws, or the consent of the Issuer or the Co-Issuer to the filing of any such petition or the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or the Co-Issuer or any substantial part of its property, respectively;

(x) increase the amount of the Liquidation Agent Fees payable to the Liquidation Agent beyond the amount provided for in the original Liquidation Agency Agreement;

(xi) amend any provision of the Indenture or any other agreement entered into by the Issuer with respect to the transactions contemplated thereby that provides that the obligations of the Issuer or the Issuer, as the case may be, are limited to the extent of the available Collateral, as defined in such Indenture or agreement.

(xii) at the time of execution of such supplemental indenture, cause payments made by or to the Issuer, the Credit Protection Buyer, the Liquidation Agent or any Paying Agent to become subject to withholding or other taxes, fees or assessments or cause the Issuer to be taxed as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;

(xiii) at the time of the execution of such supplemental indenture, result in a default or event of default under any of the Notes under Section 1001 of the Code (Items (i) through (xii) above collectively, the “Reserved Matters”).

Notwithstanding anything to the contrary herein, no supplement or amendment to the Indenture will be effective until the consent of each of the Credit Protection Buyer (which shall not be unreasonably withheld) and the Liquidation Agent (which consent shall not be unreasonably withheld) has been obtained.

Under the Indenture, in making the determination of whether a proposed amendment has or would have no material adverse effect on any of the Notes, which Notes are materially adversely affected by a proposed amendment or which Classes of Notes are adversely affected by any Reserved Matter (each such determination, an “Amendment Determination”), the Trustee may rely on an opinion of counsel. If no opinion of counsel is provided with respect to a proposed amendment, a Noteholder Poll shall be conclusively determinative of such Amendment Determination and the Trustee shall be entitled to conclusively rely on such Noteholder Poll. The results of such Noteholder Poll shall be conclusive and binding on the Issuer and all present and future Noteholders.

“Noteholder Poll” with respect to a proposed supplemental indenture means the following:

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912644
The Trustee will, at the expense of the Issuer, give written notice of such proposed supplemental indenture to the Holders of the Secured Notes and to the Fiscal Agent for notification by the Fiscal Agent to the Holders of the Income Notes. If any Holder of a Note or a Class delivers a written objection to any portion of such supplemental indenture to the Trustee, in the case of the Secured Notes, and to the Fiscal Agent, in the case of the Income Notes, within 20 Business Days after the date on which such notice was given by the Trustee or the Fiscal Agent, as applicable, each Note or such Class will be deemed to be held adversely affected and materially and adversely affected. If no Holder of a Note or a Class delivers a written objection to the Trustee or the Fiscal Agent, as applicable, written such period, all Notes or such Class shall be deemed not to be materially and adversely affected and not to be adversely affected by such supplemental indenture. The Fiscal Agent will promptly communicate to the Trustee the receipt of any such written objection from a Holder of an Income Note or if no such written objection is received within the prescribed time period, that no written objections were received from any Income Holder.

Under the Indenture, the Trustee will deliver a copy of any proposed supplemental indenture to the Holders of the Secured Notes, the Fiscal Agent, the Rating Agencies (for as long as any of the Notes are outstanding and rated by the Rating Agencies), the Credit Protection Holder and the Liquidation Agent not later than 20 Business Days prior to execution of a proposed supplemental indenture. The Fiscal Agent will deliver a copy of the same to the Holders of the Income Notes. For as long as any of the Notes are outstanding and rated by the Rating Agencies, no supplemental indenture shall be entered into unless the Rating Agency Condition is met; provided that the Trustee shall, with the consent of the Holders of 100% of the Aggregate Outstanding Amount of Secured Notes of each Class and the Income Notes, whose consent, in the case of the Income Notes, will be communicated to the Fiscal Agent for notice to the Trustee, the Liquidation Agent and the Credit Protection Buyer, enter into any such supplemental indenture notwithstanding any potential reduction or withdrawal of the ratings of any outstanding Class of Notes. The Trustee must provide notice of any amendment or modification of the Indenture (whether or not required to be approved by such parties) to the Holders of the Secured Notes, the Fiscal Agent, the Liquidation Agent, the Credit Protection Buyer and if and for so long as any Secured Notes are listed on the Irish Stock Exchange, the Irish Paying Agent promptly upon the execution of such supplemental indenture. The Fiscal Agent will provide notice of any such amendment or modification of the Indenture to the Holders of the Income Notes if and for so long as any Income Notes are listed on the Irish Stock Exchange, the Irish Paying Agent promptly upon the execution of such supplemental indenture.

In connection with any amendments, the Trustee may require the delivery of an opinion of counsel satisfactory to it (which opinion of counsel may rely on an officer’s certificate from the Liquidation Agent), at the expense of the Issuer, that such amendment is permitted under the terms of the Indenture.

In addition, the Issuer and the Trustee may enter into any additional agreements not expressly prohibited by the Indenture or any other Transaction Document.

Jurisdictions of Incorporation and Formation. Under the Indenture, the Issuer and the Co-Issuer will be required to maintain their rights and franchises as a company incorporated under the laws of the Cayman Islands and a corporation formed under laws of the State of Delaware, respectively, to comply with the provisions of their respective organizational documents and to obtain and preserve their qualifications to do business as foreign corporations in such jurisdiction to which such qualifications are or shall be necessary to maintain the validity and enforceability of the Indenture, the Secured Notes, or any of the Pledged Assets; provided, however, that the Issuers shall be entitled to change their jurisdictions of incorporation from the Cayman Islands or Delaware, as applicable, to any other jurisdiction reasonably selected by such Issuer or Co-Issuer, as applicable, and approved by its common shareholders, so long as (i) the Issuer or Co-Issuer, as applicable, does not believe such change is disadvantageous in any material respect to each entity or the Holders of any Class of Secured Notes, (ii) written notice of such change shall have been given by the Issuer or Co-Issuer, as applicable to the Issuer or Co-Issuer, as applicable, the Trustee, the Note Paying Agent, the Liquidation Agent, the Credit Protection Buyer, the Holders of such Class of Notes, and each of the Rating Agencies at least forty (40) Business Days prior to such change of jurisdiction and the Rating Agency Condition with respect to S&P shall have been satisfied with respect to each change; and (iii) on or prior to the 35th Business Day following such notice the Trustee shall not have received written notice from Holders of a Majority of the Outstanding Notes of any such Issuer or Co-Issuer of any change of jurisdiction of the Issuer or Co-Issuer or the Note Paying Agent, the Liquidation Agent, the Credit Protection Buyer, the Holders of such Class of Notes, and each of the Rating Agencies at least thirty (30) Business Days prior to such change of jurisdiction and the Rating Agency Condition with respect to S&P shall have been satisfied with respect to each change, and (iv) on or prior to the 35th Business Day following such notice the Trustee shall not have received written notice from Holders of a Majority of the Outstanding Notes of any such Issuer or Co-Issuer of any change of jurisdiction of the Issuer or Co-Issuer or the Note Paying Agent, the Liquidation Agent, the Credit Protection Buyer, the Holders of such Class of Notes, and each of the Rating Agencies at least forty (40) Business Days prior to such change of jurisdiction and the Rating Agency Condition with respect to S&P shall have been satisfied with respect to each change.
Footnote Exhibits - Page 5744

Petitions for Bankruptcy. The Indenture will provide that neither (i) the Paying Agent, the Liquidation Agent, the Note Registrar, or the Trustee, in its own capacity, nor on behalf of any Secured Noteholder, nor (ii) the Secured Noteholders may, prior to the date which is one year and one day (or, if longer, the applicable preference period then in effect) after the payment in full of all Notes, institute against, or join any other person in instituting against, the Issuer or Co-Issuer any bankruptcy, reorganization, arrangement, moratorium, liquidation or similar proceedings under the laws of any jurisdiction.

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Pledged Assets securing the Secured Notes upon delivery to the Note Paying Agent for cancellation all of the Secured Notes and the payment in full of the Secured Notes, or, without certain limitations (including the obligation to pay principal and interest), upon deposit with the Trustee of funds sufficient for the payment or redemption thereof and the payment of the Issuers of all other amounts due under the Indenture.

Trustee. LaSalle Bank National Association will be the Trustee under the Indenture. The Issuers and their affiliates may maintain other banking relationships in the ordinary course of business with the Trustee. The payment of the fees and expenses of the Trustee relating to the Secured Notes is solely the obligation of the Issuers. The Issuers and/or the Trustee may receive compensation in connection with the Trustee’s investment of trust assets in certain eligible investments as provided in the Indenture and in connection with the Trustee’s administration of any securities lending activities of the Issuers.

The Indenture contains provisions for the indemnification of the Trustee for any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture. The Trustee will not be bound to take any action unless indemnified for such action. The Secured Noteholders shall jointly have the power, exercisable by the Controlling Class, to remove the Trustee as set forth in the Indenture. The removal of the Trustee shall not become effective until the later of the effective date of the appointment of a successor trustee and the acceptance of appointment by a successor trustee. If the Trustee is removed without cause, costs and expenses of the Trustee incurred in connection with the transfer to the successor Trustee shall be paid by the successor Trustee or the Issuers.

Agent. LaSalle Bank National Association will be the Note Paying Agent, the Note Registrar, the Note Calculation Agent and the Note Transfer Agent under the Indenture. The Issuers and their affiliates may maintain other banking relationships in the ordinary course of business with LaSalle Bank National Association. The payment of the fees and expenses of LaSalle Bank National Association, as the Paying Agent, the Note Registrar, the Note Calculation Agent and the Note Transfer Agent relating to the Notes is solely the obligation of the Issuers. The Indenture contain provisions for the indemnification of LaSalle Bank National Association for any loss, liability or expense incurred without negligence, willful misconduct, default or bad faith on its part arising out of or in connection with the acceptance or administration of the Indenture.

Irish Paying Agent. If and for as long as any of the Secured Notes or the Income Notes are listed on the Irish Stock Exchange, and a rule of such exchange shall so require, the Issuers will have an Irish Paying Agent in accordance with the requirements of the rules of such exchange for the Notes. The Issuers and their affiliates may maintain other relationships in the ordinary course of business with the Irish Paying Agent. The payment of the fees and expenses of the Irish Paying Agent relating to the Notes is solely the obligation of the Issuers.

Status of the Income Notes. The Holders of the Income Notes will have certain rights to vote with respect to limited matters arising under the Indenture and the Liquidation Agency Agreement including, without limitation, in connection with certain modifications to the Indenture. However, the Holders of the Income Notes will have no right to vote in connection with the realization of the Pledged Assets or certain other matters under the Indenture.

Fiscal Agency Agreement

The Income Notes will be issued by the Issuer and administered in accordance with a Fiscal Agency Agreement (the "Fiscal Agency Agreement") between LaSalle Bank National Association as fiscal agent (in such capacity, the "Fiscal Agent"). The following summary describes certain provisions of the Income Notes and the Fiscal Agency Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Fiscal Agency Agreement. After the closing, copies of the Fiscal

Confidential Treatment Requested by Goldman Sachs GS MBS-E-000912648
Footnote Exhibits - Page 5745

Agency Agreement may be obtained by prospective investors upon request in writing to the Fiscal Agent at LaSalle Bank National Association, 181 W. Madison Street, 31st Floor, Chicago, Illinois 60602, Attention: CDO Trust Services Group—Amberton Mezzanine Funding 2007-1, Ltd. (telephone number (312) 990-5312).

Pursuant to the Fiscal Agency Agreement, the Fiscal Agent and the Income Notes Transfer Agent will perform various fiscal services on behalf of the Holders of the Income Notes. The payment of the fees and expenses of the Fiscal Agent and Income Notes Transfer Agent is solely the obligation of the Issuer. The Fiscal Agency Agreement contains provisions for the indentureization of the Fiscal Agent and Income Notes Transfer Agent for any fees, liability or expenses incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Fiscal Agency Agreement.

Stamps. The Income Notes are not secured by the Pledged Assets securing the Secured Notes. There can be no assurance that, after payment of principal and interest on the Secured Notes and other fees and expenses of the Issuer in accordance with the Priority of Payments, the Issuer will have funds remaining to make payments in respect of the Income Notes. As a result, the rights of the Income Note holders to receive payments will rank (i) behind the rights of all secured creditors of the Issuer, whether known or unknown, including the Holders of the Secured Notes, the Liquidation Agent and the Credit Protection Cayman and (ii) pari passu with all other unsecured creditors of the Issuer, whether known or unknown. The Issuer, pursuant to the Indenture, has pledged substantially all of its assets to secure the Secured Notes and certain other obligations of the Issuer. The proceeds of such assets will only be available to make payments in respect of the Income Notes as and when such proceeds are released from the lien of the Indenture in accordance with the Priority of Payments. See "Priorities of Payments."

Payment. On each Quarterly Payment Date, to the extent funds are available therefor, and after the Secured Notes and certain other amounts due and payable on such Quarterly Payment Date that rank senior to payments on the Income Notes have been paid in full, payments will be released from the lien of the Indenture in accordance with the Priority of Payments and paid to the Fiscal Agent on such Quarterly Payment Date for payment to the Holders of the Income Notes. See "Priority and Security," "Agreement on the Secured Notes" and "Priority." Payments on any Income Note will be made to the person in whose name such Income Note is registered 10 Business Days prior to the applicable Quarterly Payment Date. Payments will be made by wire transfer to immediately available funds to a U.S. Dollar account maintained by the Holder of record appearing in the Income Notes Register in accordance with wire transfer instructions received from such Holder by the Fiscal Agent no later than the Record Date or, if no wire transfer instructions are received by the Fiscal Agent, by a U.S. Dollar check drawn on a bank in the United States. Final distributions or payments made in the course of a winding-up of the Issuer will be made only against surrender of the certificates representing such Income Notes at the office of the Income Notes Transfer Agent. The Income Notes Transfer Agent will communicate or cause communications of such distributions and payments and the related Payment Date to the Issuer, the Fiscal Agent, Registrar and Transfer Agent.

Modification of the Fiscal Agency Agreement. The Fiscal Agency Agreement may be amended by the Issuer and the Fiscal Agent without the consent of any of the Trustee Holders for any of the following reasons: (i) to evidence the succession of any person to either the Issuer or Fiscal Agent and the assumption by such successor of the covenants of the Issuer or Fiscal Agent in the Note, the Fiscal Agency Agreement and the Indenture; (ii) to add to the covenants of the Issuer or the Fiscal Agent for the benefit of the Holders of the Notes or to surrender any right or power conferred upon the Issuer; (iii) to cure any ambiguity or manifest error or correct or supplement any provisions contained herein which may be defective or incomplete or any provisions omitted herein or make any modification that is of a formal, minor or technical nature or which is made to correct a manifest error; (iv) to take any action necessary or advisable to prevent the Issuer, the Trustee, any Note Paying Agent or the Fiscal Agent from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise being subject to United States federal, state or local income tax on a net income basis; (v) to conform the Fiscal Agency Agreement to the descriptions contained in this Offering Circular; (vi) to comply with any reasonable requests made by the Irish Stock Exchange in order to list or maintain the listing of any Notes on such stock exchange; and (vii) to make any other changes for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Fiscal Agency Agreement; provided, however, that such changes would have no material adverse effect on any of the Notes.
The Fiscal Agency Agreement may also be amended from time to time by the Issuer and the Fiscal Agent with the consent of a Majority of Income Noteholders for the purpose of adding any provisions or changing in any manner or eliminating any of the provisions of the Fiscal Agency Agreement, or of modifying in any manner the rights of the Income Noteholders, provided, however, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, or change the allocation of, the payments on the Income Notes or (ii) reduce the voting percentage of the Income Noteholders required to consent to any amendment to the Fiscal Agency Agreement, in each case without the consent of the Income Noteholders of all of the Income Notes.

**Income Note Register.** The Fiscal Agent will initially be appointed as Income Notes Transfer Agent (in such capacity, the "Income Notes Transfer Agent") for the purpose of registering and administrating the transfer of Income Notes. The Income Notes Transfer Agent shall maintain at its offices, a register (the "Income Notes Register") in which it shall provide for the registration of Income Notes and the registration of transfers of Income Notes in accordance with the Fiscal Agency Agreement.

**Notice.** Notices to the Income Note holders will be given by first-class mail, postage prepaid, to the registered holders of the Income Notes at their addresses appearing in the Income Notes Register. In addition, if and for as long as any of the Income Notes are listed on the Irish Stock Exchange and as long as the notes of such exchange so require, notices to the Holders of each Income Note shall also be published by the Irish Listing Agent in the official list thereof as otherwise required by the rules of such exchange.

**Governing Law of the Transaction Documents**

The Indenture, the Fiscal Agency Agreement, the Notes, the Credit Default Swap and the Liquidation Agency Agreement will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed therein without regard to the conflict of laws principles thereof. Under the Indenture, the Fiscal Agency Agreement and the Liquidation Agency Agreement, the Issuers have submitted irrevocably to the non-exclusive jurisdiction of the courts of the State of New York and the courts of the United States of America in the State of New York (in each case sitting in the County of New York) for the purpose of having and determining any suit, action or proceeding or settling any dispute arising out of or in connection with the Indenture, the Notes, the Fiscal Agency Agreement and the Liquidation Agency Agreement.

**Form of the Notes**

The Notes. Each Class of Notes (other than the Income Notes sold in reliance on Rule 144A under the Securities Act) will be represented by one or more Rule 144A Global Notes and will be deposited with LaSalle Bank National Association as custodian for DTC and registered in the name of Cede & Co., a nominee of DTC. Each of the other Notes which are sold either to (i) a qualified institutional buyer as defined in Rule 144A under the Securities Act purchasing for its own account or for the account of a Qualified Institutional Buyer or (ii) in the case of Notes only, an Accredited Investor who has a net worth of not less than U.S. $10 million will be in definitive, fully registered form, registered in the name of the owner thereof ("Definitive Notes"). The Rule 144A Global Notes and the Definitive Notes (and any Notes issued in exchange therefor) will be subject to certain restrictions on transfer as set forth under "Notice to Investors."

Each Class of Notes sold in offshore transactions in reliance on Regulation S will initially be represented by a Temporary Regulation S Global Note deposited on the Closing Date with LaSalle Bank National Association as custodian for DTC and registered in the name of Cede & Co., a nominee of DTC, for the respective accounts of Euroclear and Clearstream. Beneficial interests in a Temporary Regulation S Global Note may be held only through Euroclear or Clearstream. Beneficial interests in a Temporary Regulation S Global Note will be exchanged for beneficial interests in a permanent Regulation S Global Note (the "Regulation S Global Note") for the aforesaid Class of Notes in definitive, fully registered form upon the later of (i) the expiration of the Distribution Compliance Period and (ii) the date on which the requisite certificates (in the form provided in the Indenture) are provided to the Trustee. The Regulation S Global Note will be registered in the name of Cede & Co., a nominee of DTC, and deposited with LaSalle Bank National Association as custodian for DTC for credit to the accounts of Euroclear and Clearstream for the respective accounts of the Holders of such Notes. Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream.
A beneficial interest in a Regulation S Global Note or a Temporary Regulation S Global Note may be transferred, whether before or after the expiration of the Distribution Compliance Period, to a U.S. person only, such respect to the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes, in the form of a beneficial interest in a Rule 144A Global Note, and, with respect to any Regulation S Global Notes, in the form of a definitive Income Note, as applicable, and only upon receipt by the Note Transfer Agent or Income Notes Transfer Agent, as applicable, of a written certification from the transferee (in the form provided in the Indenture or the Fiscal Agency Agreement, as applicable) to the effect that the transfer is being made to a person the transferee reasonably believes is (a) a Qualified Institutional Buyer or, solely in the case of the Income Notes, an Accredited Investor who has a net worth of net less than U.S. $10 million and (b) a Qualified Purchaser. In addition, transfers of a beneficial interest in a Regulation S Global Note or Temporary Regulation S Global Note to a person who takes delivery in the form of an interest in a Rule 144A Global Note or, a Definitive Note in the case of the Income Notes, may occur only in denominations greater than or equal to the minimum denominations applicable to the Rule 144A Global Notes or in a principal amount of net less than $25,000.

A beneficial interest in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Temporary Regulation S Global Note or a Regulation S Global Note, as the case may be, whether during or after the expiration of the Distribution Compliance Period, only upon receipt by the Note Transfer Agent or Income Notes Transfer Agent, as applicable, of a written certification from the transferee (in the form provided in the Indenture) to the effect that such transfer is being made to a new U.S. Person in accordance with Rule 903 or 904 of Regulation S.

Any beneficial interest in one of the Global Notes that is transferred to the person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such interest.

Except as the limited circumstances described below, owners of beneficial interests in any Global Notes will not be entitled to receive a Definitive Note. The Notes are not transferable in bearer form.

Each Note will be issued in minimum denominations of U.S.$25,000 (in the case of Rule 144A Notes and in the case of Income Notes sold to Accredited Investors) and U.S.$100,000 (in the case of Regulation S Notes) and integral multiples of U.S.$1 in excess thereof.

Global Notes. Upon the issuance of the Global Notes, DTC or its custodian will credit, on its internal system, the respective aggregate original principal amount of the individual beneficial interests represented by each Global Note in the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the Initial Purchaser. Ownership of beneficial interests in Global Notes will be limited to participants, or persons who have accounts with DTC through a participant ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominees (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants).

So long as DTC, or its nominee, is the registered owner or Holder of the Global Notes, DTC or its nominee, as the case may be, will be considered the sole owner or Holder of each Class of the Notes represented by such Global Notes for all purposes under the Indenture and such Notes. Unless DTC notifies the Issuers that it is unwilling or unable to continue as depositary for a global note or ceases to be a "Clearing Agency" registered under the Exchange Act, owners of the beneficial interests in the Global Notes will not be entitled to have any portion of such Global Notes registered in their names, nor will receive or be entitled to receive physical delivery of Notes in certificated form and will not be considered to be the owners or Holders of any Notes under the Indenture. In addition, no beneficial owner of an interest in the Global Notes will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Indenture referred to herein and, if applicable, those of Euroclear and Clearstream).

Investors may hold their interests in a Regulation S Global Note or a Temporary Regulation S Global Note directly through Clearstream or Euroclear, if they are participants in these systems, or indirectly through organizations which are participants in these systems. Clearstream and Euroclear will hold interests in the
Regulation S Global Notes on behalf of their participants through their respective depositories, which in turn will hold the interests in the Regulation S Global Notes and Temporary Regulation S Global Notes in customers' securities accounts in the depositories' names on the books of DTC. Investors may hold their interests in a Rule 144A Global Note directly through DTC if they are participants in the system, or indirectly through organizations which are participants in the system.

Payments of the principal and interest on the Global Notes will be made to DTC or its nominee, as the registered owner thereof. Neither the Issuer, the Trustee nor any paying agent will have any responsibility or liability for any action or inaction relating to or payments made on account of beneficial ownership interests in the Global Notes or for any notice permitted or required to be given to Holders of Notes or any consent given or action taken by DTC or Holder of Notes. The Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note representing any Notes held by it or its nominee, will immediately credit participants' accounts with payments in amounts proportionate to their respective interests in the principal amount of such Global Notes as shown on the records of DTC or its nominee. The Issuers also expect that payments by participants to owners of interests in such Global Notes held through such participants will be governed by standing instructions and customary practices, as now in effect or as may hereafter be determined. Such payments will be the responsibility of such participants.

Transfer between participants will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in Global Notes to those persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in Global Notes to pledge its interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of its interest, may be affected by the lack of a physical certificate of the interest. Transfers between account holders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described above, cross-market transfers between DTC participants, on the one hand, and, directly or indirectly through Euroclear or Clearstream, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in the system in accordance with its rules and procedures and within its established deadlines (Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in a Temporary Regulation S Global Note or a Regulation S Global Note in DTC or, and making or receiving payment in accordance with normal procedures for a same-day funds settlement applicable to DTC. Euroclear and Clearstream account holders may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a tranche or Clearstream participant purchasing an interest in a Global Note held in a DTC participant will be credited during the securities settlement processing day (which must be a Business Day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and the credit of any transactions in interests in a Global Note settled during the previous day will be reported to the relevant Euroclear or Clearstream participant on that day. Cash flows into Euroclear or Clearstream as a result of sales of interests in a Global Note by or through Euroclear or Clearstream to a DTC participant will be received with value in the DTC settlement date but will be available in the relevant Clearstream cash account only as of the Business Day following settlement in DTC.

DTC has advised the Issuer that it will take any action permitted to be taken by a Holder of the Notes (including the presentation of the applicable Notes for exchange as described below) only at the direction of one or more participants in whose account with DTC interests in a Global Note are credited and only in respect of that portion of the aggregate principal amount of the Notes as to which the participant or participants has or have given direction.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912650
Footnote Exhibits - Page 5749

The giving of notices and other communications by DTC to participants, by participants to persons who hold accounts with them and by such persons to Holders of beneficial interests in a Global Note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC System is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participant").

Clearstream. Clearstream Banking, S.A., was incorporated as a limited liability company under Luxembourg law. Clearstream is owned by Cedel International, S.A., and Deutsche Börse AG. The shareholders of these two entities are banks, securities dealers and financial institutions.

Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream customers through electronic book-entry changes in accounts of Clearstream customers, thus eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities, securities lending and borrowing and collateral management. Clearstream interfaces with domestic markets in a number of countries. Clearstream has established an electronic bridge with Euroclear Bank S.A./N.V., the operator of the Euroclear System, to facilitate settlement of trades between Clearstream and Euroclear.

As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream’s customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream’s customers are limited to securities brokers and dealers and banks and may include the Initial Purchaser. Other institutions that maintain a custodial relationship with a Clearstream customer may obtain indirect access to Clearstream. Clearstream is an indirect participant in DTC.

Distributions with respect to the Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream customers in accordance with its rules and procedures, to the extent received by Clearstream.

The Euroclear System. The Euroclear System was created in 1968 to hold securities for participants of the Euroclear System and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thus eliminating the need for physical movement of certificates and risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in many currencies, including U.S. Dollars and Japanese Yen. The Euroclear System provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market trading with DTC described above.

The Euroclear System is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"), under contract with Euroclear Clearing System plc, a U.K. corporation (the "Euroclear Clearing System"). The Euroclear Operator conducts all operations, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Euroclear Clearing System. The Euroclear Clearing System establishes policy for the Euroclear System on behalf of Euroclear participating organizations. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Initial Purchaser. Indirect access to the Euroclear System is also available to other firms that close through or maintain a custodial relationship with an Euroclear participant, either directly or indirectly. Euroclear is an indirect participant in DTC.

Confidential Treatment Requested by Goldman Sachs

GS MSS-E-000912651
The Euroclear Operator is a Belgian bank. The Belgian Banking Commission regulates and examines the Euroclear Operator.

The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear Operator. Specifically, these terms and conditions govern:

(a) transfers of securities and cash within the Euroclear System;
(b) withdrawal of securities and cash from the Euroclear System; and
(c) receipts of payments with respect to securities in the Euroclear System.

All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the terms and conditions only on behalf of Euroclear participants and has no interest of any relationship with persons holding securities through Euroclear participants.

Distributions with respect to Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participating organizations in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear Operator and by Euroclear.

Although DTC, Clearstream, and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the Regulation S Global Notes and the Rule 144A Global Notes among participants of DTC, Clearstream, and Euroclear, they are under no obligation to perform or continue to perform these procedures, and the procedures may be discontinued at any time. Neither the Issuers nor the Trustee will have any responsibility for the performance by DTC, Clearstream, Euroclear or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Payments: Certificates by Holders of Temporary Regulation S Global Notes. A Holder of a beneficial interest in a Temporary Regulation S Global Note must provide Clearstream or Euroclear, as the case may be, with a certificate in the form required by the Indenture certifying that the beneficial owner of the interest in such Global Note is not a U.S. Person (as defined in Regulation S), and Clearstream or Euroclear, as the case may be, must provide to the Trustee a certificate in the form required by the Indenture prior to (i) the payment of interest or principal with respect to such Holder’s beneficial interest in the Temporary Regulation S Global Note and (ii) any exchange of such beneficial interest for a beneficial interest in a Regulation S Global Note.

Individual Definitive Notes. The Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Regulation S Income Notes will be initially issued in global form. The Income Notes (other than the Regulation S Income Notes) will be global and will be represented by one or more Definitive Notes. If DTC or any successor to DTC advises the Issuer in writing that it is at any time unwilling or unable to continue as a depositary for the reasons described in "—Global Notes" and a successor depositary is not appointed by the Issuer within 90 days as a result of any amendment to or change in, the laws or regulations of the Cayman Islands or the State of Delaware, or applicable, or of any authority thereon or thereof having power to tax or in the interpretation or administration of such laws or regulations which become effective on or after the Closing Date, the Issuer, the Note Paying Agent or the Fiscal Agent is or will be required to make any deduction or withholding from any payment or interest on the Notes which would not be required if the Notes were in definitive form and the Issuer will issue Definitive Notes in registered form in exchange for the Regulation S Global Notes and the Rule 144A Global Notes, as the case may be. Upon receipt of such notice from DTC, the Issuer can tender their best efforts to make arrangements with DTC for the exchange of interests in the Global Notes for individual Definitive Notes and cause the required individual Definitive Notes to be executed and delivered to the Note Register or Income Notes Transfer Agent, as applicable, in sufficient quantities and authenticated by or on behalf of the Note Transfer Agent or Income Notes Transfer Agent, as applicable, for delivery to Holders of the Notes. Persons acquiring interests in a Global Note for individual Definitive Notes will be required to provide to the Note Transfer Agent or the Income Notes Transfer Agent, as applicable, through DTC, Clearstream or Euroclear, (i) written instructions and other

Confidential Treatment Requested by Goldman Sachs GS MBS-E-000012652
information required by the Issuer, the Note Transfer Agent and the Issuer Notes Transfer Agent to complete, execute and deliver such individual Definitive Notes, (ii) in the case of an exchange of an interest in a Rule 144A Global Note, such certification as to (a) Qualified Institutional Buyer status or, where in the case of the Income Notes, as to Accredited Investor status and (b) that such Holder is a Qualified Purchaser, as the Issuers shall require and (iii) in the case of an exchange of an interest in a Regulation S Global Note, such certification as the Issuers shall require as to non-U.S. Person status. In all cases, individual Definitive Notes delivered in exchange for any Global Note or beneficial interest therein will be registered in the names, and issued in denominations in compliance with the minimum denominations specified for the applicable Global Notes, requested by DTC.

Individual Definitive Notes will bear, and be subject to, such legend as the Issuers require in order to assure compliance with any applicable law. Individual Definitive Notes will be transferable subject to the minimum denominations applicable to the Rule 144A Global Notes and Regulation S Global Notes, in whole or in part, and exchangeable for individual Definitive Notes of the same Class at the office of the Note Paying Agent, Note Transfer Agent, Income Notes Transfer Agent or the office of any transfer agent, upon compliance with the requirements set forth in the Indenture or the Fiscal Agency Agreement, as applicable. Individual Definitive Notes may be transferred through any transfer agent upon the delivery and duly completed assignment of such Notes. Upon transfer of any individual Definitive Note is part, the Note Transfer Agent or Income Notes Transfer Agent, as applicable, will issue in exchange therefor the transferee one or more individual Definitive Notes in the amount being so transferred and will issue to the transferee one or more individual Definitive Notes in the remaining amount not being transferred. No service charge will be imposed for any registration of transfer or exchange, but payment of a sum sufficient to cover any tax or other governmental charge may be required. The Holder of a minimum individual Definitive Note may transfer such Note, subject to compliance with the provisions of the legend thereof. Upon the transfer, exchange or replacement of Notes bearing the legend, or upon specific request for removal of the legend on a Note, the Issuers will deliver only Notes that bear such legend, or will cease to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence which may include an opinion of counsel, as reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to assure compliance with the provisions of the Securities Act and the Investment Company Act. Payments of principal and interest on individual Definitive Notes shall be payable by the Note Paying Agents or the Fiscal Agent, as applicable, by U.S. Dollar check drawn on a bank in the United States of America and sent by mail to the registered Holder thereof, by wire transfer to immediately available funds. In addition, if and for so long as any Notes are listed on the Irish Stock Exchange and the rules of such exchange shall so require, in the case of a transfer or exchange of individual Definitive Notes, a Holder thereof may effect such transfer or exchange by presenting such Notes at, and obtaining a new individual Definitive Note from the office of the Irish Paying Agent, in the case of a transfer of only a part of an individual Definitive Note, a new individual Definitive Note in respect of the balance of the principal amount of the individual Definitive Note not transferred will be delivered at the office of the Irish Paying Agent and in the case of a replacement of any lost, stolen, mutilated or destroyed individual Definitive Note, a Holder thereof may obtain a new individual Definitive Note from the Irish Paying Agent.

The Income Notes. The Regulation S Income Notes will initially be in global form. The Income Notes (other than Regulation S Income Notes) will not be global and will be represented by one or more Income Note Certificates in definitive form. All Income Notes will be subject to certain restrictions on transfer as set forth under "Notice to Investors."

Income Notes may be transferred only (i) upon receipt by the Issuer and Income Notes Transfer Agent of an Income Notes Purchase and Transfer Letter to the effect that the transfer is being made (a) to a Qualified Institutional Buyer that has acquired an interest in the Income Notes in a transaction meeting the requirements of Rule 144A or (b) an Accredited Investor having a net worth not less than U.S.$10 million in a transaction exempt from registration under the Securities Act, or (c) to a Qualified Purchaser or (d) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S. The transferee of an Income Note (other than a Regulation S Income Note) must also make certain other representations applicable to such transferee, as set forth in the Income Notes Purchase and Transfer Letter.

Each Purchaser of a Regulation S Income Note will be deemed by its purchase to have represented and warranted as set forth under "Notice to Investors."

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912553
Payments on the Income Notes on any Payment Date will be made to the person in whose name the relevant Income Note is registered in the Income Notes Register as of the close of business 10 Business Days prior to such Payment Date.

USE OF PROCEEDS

The gross proceeds associated with the offering of the Notes are expected to equal approximately \$300,400,000. Approximately \$1,655,000 of such gross proceeds will be applied by the Issuer to pay upfront fees and expenses associated with the offering of the Notes. On the Closing Date or promptly thereafter as is consistent with customary settlement procedures, pursuant to agreements to purchase entered into on or before the Closing Date, the Issuer will apply the net proceeds to purchase the Collateral Securities and Eligible Investments described herein having an aggregate Principal Balance of approximately \$300,000,000 and will have entered into the Credit Default Swap. In addition, on the Closing Date, approximately \$200,000 of the net proceeds from the issuance of the Notes will be deposited into the Expense Reserve Account.

RATINGS OF THE NOTES

It is a condition to the issuance of the Notes that the Class S Notes, the Class A-1a Notes, the Class A-1b Notes and the Class A-2 Notes be rated “Aa” by Moody’s and “AA” by S&P; that the Class B Notes be rated at least “Aa” by Moody’s and at least “AA” by S&P; that the Class C Notes be rated at least “A1” by Moody’s and at least “A” by S&P; and that the Class D Notes be rated at least “Baa2” by Moody’s and at least “BBB” by S&P. The Income Notes will not be rated by either Rating Agency. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

If and for so long as any Class of Notes is listed on the Irish Stock Exchange, the Issuer will inform the Irish Paying Agent if any rating assigned to any Class of Notes is revised or withdrawn.

Moody’s Ratings

The ratings assigned to the Secured Notes by Moody’s are based upon its assessment of the probability that the Credit Default Swap and the Collateral Assets will provide sufficient funds to pay such Secured Notes, based largely upon Moody’s analytical results on historical default rates on debt obligations with various ratings, expected recovery rates on the Reference Obligations and the Collateral Assets, the asset and interest coverage required for such Secured Notes (which is achieved through the subordination of more junior Notes), and the diversification requirements that the Pledged Assets must satisfy.

Moody’s rating of (i) the Class S Notes, the Class A Notes and the Class B Notes addresses the ultimate cash receipt of all required principal payments and the timely cash receipt of all interest or premium payments as provided in the governing documents and (ii) the Class C Notes and the Class D Notes addresses the ultimate cash receipt of all required interest and principal payments as provided in the governing documents. Moody’s ratings are based on the expected loss paid to the Holders of the Notes relative to the present of receiving the present value, calculated by using a discounted cash flow equal to the promised interest rate of such payments. Moody’s analyzes the likelihood that each debt obligation included in the portfolio will default, based on historical default rates for similar debt classes, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody’s then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the potential recovery value of the Pledged Assets and the expected volatility of the default rate of the portfolio based on the level of diversification by issuer and industry.

In addition to these quantitative tests, Moody’s ratings take into account qualitative factors of a transaction, including the experience of the Liquidity Agent, the legal structure and the risks associated with such structure, its view as to the quality of the participants in the transaction and other factors that it deems relevant.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912854
S&P Ratings

S&P will rate the Second Notes in a manner similar to the manner in which it rates other structured issues. The ratings assigned to the Class A Notes, the Class C Notes and the Class D Notes by S&P address the likelihood of the timely payment of interest and the ultimate payment of principal on each Second Note. The ratings assigned to the Class C Notes and the Class D Notes by S&P address the likelihood of the ultimate payment of interest and principal on each Second Note. This requires an analysis of the following: (i) credit quality of the Pledged Assets securing the Second Notes; (ii) cash flow used to pay liabilities and the provisions of these payments; and (iii) legal considerations. Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating.

S&P's analysis includes the application of its proprietary default expectation computer model, the Standard & Poor's CDO Monitor (which will be provided to the Issuer), which is used to estimate the default rate of the portfolio is likely to experience. The Standard & Poor's CDO Monitor calculates the projected cumulative default rate at a pool of collateral consistent with a specified benchmark rating level based on S&P's proprietary corporate default studies. The Standard & Poor's CDO Monitor takes into consideration the rating of each issuer or obligor, the number of issuers or obligors, the issuer or obligor industry concentration and the remaining weighted average maturity of each of the Reference Obligations included in the Reference Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the portfolio must withstand.

Credit enhancement to support a particular rating is then provided based, in part, on the results of the Standard & Poor's CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of overcollateralization/undercollateralization, cash collateral/reserve account, excess spread/interest and amortization. A transaction-specific cash flow model (the "Transaction-Specific Cash Flow Model") is used to evaluate the portfolio and determine whether it can withstand an estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual loss on the Pledged Assets will not exceed those assumed in the application of the Standard & Poor's CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction-Specific Cash Flow Model. The issuers make no representation as to the expected loss of defaults on the portfolio or as to the expected timing of any defaults that may occur.

S&P's rating of the Notes will be established under various assumptions and accurate analyses. There can be no assurance, and no representation is made, that actual defaults on the Pledged Assets will not exceed those in S&P's analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those in S&P's analyses.

THE CREDIT DEFAULT SWAP

General

The following description of the Credit Default Swap is a summary of certain provisions of the Credit Default Swap but does not purport to be complete and prospective investors must refer to the Credit Default Swap for more detailed information regarding the Credit Default Swap. Copies of the Master Agreement and the Master Confirmation will be available to investors from the Trustee. Capitalized terms not otherwise defined in this section will have the meanings set forth in the Master Agreement and related Master Confirmations.

The Credit Default Swap will be structured as a "pay-as-you-go" credit default swap and will be documented pursuant to a 1992 ISDA Master Agreement (Multicurrency-Cross Border), including the Schedule thereto (the "Master Agreement"), between the Issuer and the Credit Protection Buyer along with two confirmations (each a "Master Confirmation") evidencing a transaction with respect to each Reference Obligation in the Reference Portfolio (each such transaction, a "CDS Transaction").
Each CDS Transaction is expected to have a specified Reference Obligation Notional Amount which represents the dollar amount of the credit exposure which the Issuer is assuming thereunder with respect to the Reference Obligation related to such CDS Transaction. The "Aggregate Reference Obligation Notional Amount" is the sum of the Reference Obligation Notional Amounts of all CDS Transactions. On the Closing Date, the Issuer expects to enter into a Credit Default Swap with an Aggregate Reference Obligation Notional Amount of approximately U.S.$310,000,000. In accordance with the terms of the CDS Transactions, the Reference Obligation Notional Amount of each CDS Transaction is expected to follow the Closing Date to be: (i) decreased on each day on which a Reference Obligation Principal Payment is made by the relevant Reference Obligation Principal Authorization Amount; (ii) increased on each day on which a Principal Payment occurs by the relevant Reference Obligation Notional Amount of such CDS Transaction; and (iii) increased on each day on which a Default occurs by the relevant Reference Obligation Notional Amount of such CDS Transaction. In each of the cases described above, in paragraph (ii) or (iii) of the definition of "Principal Payment Amount", the amount determined pursuant to paragraph (ii) under the heading, "Principal Payment Amount" in the related Reference Obligation, provided that, in accordance with the related Reference Obligation, if any Reference Obligation is applicable, the Principal Payment Amount will also be decreased by an amount determined pursuant to paragraph (ii) under the heading, "Preferred Payment Amount" in the related Reference Obligation. If any Reference Obligation is applicable, the Principal Payment Amount will also be decreased by the amount determined pursuant to paragraph (ii) under the heading, "Preferred Payment Amount" in the related Reference Obligation. 

The effective date of the Credit Default Swap will be the Closing Date and the Credit Default Swap will terminate by its terms on July 13, 2042 (the "Scheduled Termination Date") unless a Credit Event occurs with respect to the Credit Default Swap and the physical settlement date is scheduled to occur after each date.

Credit Protection Buyer Payments

Pursuant to the Credit Default Swap, on each Determination Date, the Credit Protection Buyer will make a fixed rate payment (minus any related Interest Shortfall Amounts as described below) to the Issuer, representing the aggregate Fixed Amounts which became due with respect to the Reference Obligation Payment Dates during the related Determination Period. The Credit Protection Buyer's payment will make certain payments under the Credit Default Swap to the Issuer at the times and in the amounts described herein, including any Interest Shortfall Amounts, Interest Shortfall Compensation Payment Amounts, and any Principal Shortfall Compensation Payment Amounts (together "Additional Fixed Amounts"). In connection with any termination or assignment of a CDS Transaction, proceeds from such termination or assignment, if any, will be distributed into the Interest Collection Account.

Upon the occurrence of any Interest Shortfall with respect to any Reference Obligation, the Fixed Amount payable under a CDS Transaction by the Credit Protection Buyer to the Issuer will be reduced by an amount equal to the related Interest Shortfall Payment Amount, such reduction amount not to exceed the Fixed Amount. Interest will accrue at any Interest Shortfall Payment Amount as a rate equal to LIBOR plus the fixed rate as specified in the applicable CDS Transaction. Interest Shortfall Payment Amounts are subject to the Interest Shortfall Cap as described in the Credit Default Swap. If any amount in satisfaction of the Interest Shortfall which given rise to any Interest Shortfall Payment Amount, including interest accrued thereon, is later paid with respect to a Reference Obligation, the Credit Protection Buyer will pay such amount, or in certain circumstances a portion of such amount in the Issuer as an Interest Shortfall Compensation Payment. Interest Shortfall Compensation Payment Amounts will not exceed the cumulative Interest Shortfall Payment Amounts (including any interest thereon) previously withheld from the Issuer relating to such Reference Obligation.

So long as the long-term ratings (or, in the case of clause (iii) of this paragraph only, the short-term rating) of the Credit Protection Buyer or any guarantor of the Credit Protection Buyer's obligations under the Credit Default Swap are equal to or higher than (i) "AA" by Moody's (and, if rated "AA" by Moody's, is not on watch for possible downgrades) and (ii) "A-1" by S&P (and, if rated "A-1" by S&P, is not on watch for possible downgrades) or (iii), if Goldman Sachs International is not the Credit Protection Buyer, "A-1+" by S&P (and, if rated "A-1+" by S&P, is not on watch for possible downgrades), the fixed payment due by the Credit Protection Buyer will be payable in arrears. However, if the long-term rating (or the short-term rating, as applicable) of the Credit Protection Buyer or any guarantor falls below any such level, the Credit Protection Buyer will be required to pay the fixed payment due under the Credit Default Swap in advance. The failure of the Credit Protection Buyer to make
the final payment in advance if such rating levels are no longer satisfied will constitute a termination event under the terms of the Credit Default Swap with the Credit Protection Buyer as the sole “Affected Party” under the Credit Default Swap.

Credit Protection Seller Payments

Under the Credit Default Swap, the Issuer will be required to pay certainFloating Amounts to the Credit Protection Buyer, following the occurrence of a Floating Amount Event with respect to a Reference Obligation as described herein. The Issuer will pay to the Credit Protection Buyer all Floating Amounts which become due during each Due Period, if any, on the related Determination Date.

Upon the occurrence of a Credit Event with respect to a Reference Obligation, the Credit Protection Buyer may deliver such Reference Obligation to the Issuer, in exchange for which the Issuer will pay to the Credit Protection Buyer an amount (a “Physical Settlement Amount”), which amount shall be calculated in accordance with the related CDS Transaction. The Issuer will pay to the Credit Protection Buyer all Physical Settlement Amounts which become due during the related Due Period, if any, on the related Determination Date.

Delivered Obligations delivered to the Issuer will be credited to the Delivered Obligations Account. Any Delivered Obligation delivered to the Issuer shall be sold by the Liquidation Agent within twelve (12) months of the date on which the Liquidation Agent receives notice of such delivery in accordance with the Liquidation Agency Agreement, provided that no Event of Default has occurred and is continuing. The proceeds of such sale will be deposited by the Trustee into the Collateral Account and invested in Eligible Investments and Collateral Securities selected at the direction of the Liquidation Agent. In addition, any principal proceeds or interest received on such Delivered Obligations prior to such sale, will be deposited by the Trustee into the Collateral Account.

In connection with any termination or assignment of a CDS Transaction, the Issuer may owe a Credit Default Swap Termination Payment, provided however, that the Issuer will not be obligated to make any Credit Default Swap Termination Payments to the Credit Protection Buyer in the event of a termination or assignment of the Credit Default Swap in respect of which the Credit Protection Buyer is the “Defibrillating Party” or the sole “Affected Party” (such as defined in the Credit Default Swap). Credit Default Swap Termination Payments due to the Credit Protection Buyer will be paid directly and outside of the Priority of Payments in accordance with the following paragraph.

Credit Default Swap Termination Payments due to the Credit Protection Buyer will be paid in accordance with the Priority of Payments. Credit Default Swap Termination Payments due to an assignee of a CDS Transaction will be paid as and when they become due to the extent of available funds.

The Liquidation Agent, on behalf of the Issuer, will obtain the funds to pay Credit Protection Amounts (which, for the avoidance of doubt, shall not include Defaulted Swap Termination Payments) by withdrawing amounts from the Collateral Account pursuant to the Collateral Liquidation Procedure. In the event the Credit Default Swap is terminated prior to its scheduled maturity without the occurrence of a “credit event” or a “Floating Amount Event”, the Liquidation Agent, on behalf of the Issuer, shall apply the Collateral Liquidation Procedure with respect to Collateral having a par amount equal to the amount of the Credit Default Swap Termination Payments, if any, owed to the Credit Protection Buyer and any such termination payment will be paid to the Credit Protection Buyer. The Credit Protection Buyer will bear any market risk on the liquidation of such Collateral. The Credit Default Swap will also provide for cash settlement upon the occurrence of a “Floating Amount Event” or physical settlement upon the occurrence of a “credit event” under such Credit Default Swap upon notice from the Credit Protection Buyer. If the Credit Protection Buyer has chosen cash settlement, the Liquidation Agent, on behalf of the Issuer, shall apply the Collateral Liquidation Procedure with respect to Collateral having a par amount equal to the amount of any related Credit Protection Amounts owed to the Credit Protection Buyer and any related Credit Protection Amounts owed to the Credit Protection Buyer will be paid by the Liquidation Agent, on behalf of the Issuer, from the liquidation proceeds of such Collateral. In the event such liquidation proceeds are less than par, the Credit Protection Buyer will accept the liquidation proceeds applicable to the face amount of Collateral sold which is equal to the loss or writeoff amount. In the event a “credit event” or a “Floating Amount Event” has occurred and the Issuer is required to liquidate Collateral and deliver cash to the Credit Protection Buyer, the Credit Protection Buyer will bear any market risk on the liquidation of such Collateral. If the Credit Protection Buyer has chosen physical settlement, the Collateral chosen by the Credit Protection Buyer will be delivered to the Credit Protection Buyer in exchange for a Delivered Obligation.

83

Confidential Treatment Requested by Goldman Sachs GS MBSS-E-0000912657
Footnote Exhibits - Page 5756

The obligations of the Issuer to make payments under a CDS Transaction will exist irrespective of whether the Credit Protection Buyer suffers a loss on the related Reference Obligation upon the occurrence of a Credit Event. The Issuer will have no rights of subrogation under the Credit Default Swap.

Credit Events

A Credit Event with respect to the Credit Default Swap and any Reference Obligation means the occurrence of any of the events specified in the Credit Default Swap as a Credit Event or before the scheduled termination date for each CDS Transaction. The Credit Events are expected to be Failure to Pay Principal, Withdrawal and Distressed Ratings Downgrades. Each Master Confirmation may also contain the standard definitions of such terms and the actual CDS Transactions should be consulted for the details of the Credit Events applicable thereto. The capitalized terms used in this section and not otherwise defined, have the meanings set forth in the related CDS Transactions.

A “Credit Event” is the occurrence of any of the following (however caused, directly or indirectly), as applicable:

(i) Failure to Pay Principal

“Failure to Pay Principal” means (i) a failure by the Reference Entity (or any Issuer) to pay an Expected Principal Amount on the Final Amortization Date or the Legal Final Maturity Date, as the case may be; or (ii) a payment on any such day of an Actual Principal Amount that is less than the Expected Principal Amount, provided that the failure by the Reference Entity (or any Issuer) to pay any such amount is unpaid principal in accordance with the provisions of the underlying instrument. An Issuer Default Event shall not constitute a Failure to Pay Principal if such failure has been remedied within any grace period applicable to such payment obligation under the underlying instrument or, if no such grace period is applicable, within three Business Days after the day on which the Expected Principal Amount was scheduled to be paid.

(ii) Withdrawal

“Withdrawal” means the occurrence at any time on or after the Effective Date of: (A) an withdrawal or applied loss (however described in the underlying instrument) resulting in a reduction in the Outstanding Principal Amount (other than as a result of a scheduled or unscheduled payment of principal); or (B) the reduction in a principal deficiency or realized loss (however described in the underlying instrument) to the Reference Obligation resulting in a reduction of the current interest payable on the Reference Obligation; or (C) the forgiveness of any amount of principal by the holder of the Reference Obligation pursuant to the agreement of the underlying instrument resulting in a reduction in the Outstanding Principal Amount; or (ii) if the underlying instruments do not provide for withdrawal, applied losses, principal deficiencies or realized losses as described in (i) above to occur in respect of the Reference Obligation, an implied Withdrawal Amount being determined in respect of the Reference Obligation by the Calculation Agent.

(iii) Distressed Ratings Downgrades:

“Distressed Ratings Downgrades” means with respect to a Reference Obligation:

(A) if publicly rated by Moody’s, (A) is downgraded to “Ca” or below by Moody’s or (B) has the rating assigned to it by Moody’s withdrawn and, in either case, not reinstated within five Business Days of such downgrade or withdrawal, provided that if such Reference Obligation was assigned a public rating of at least “B3” or higher by Moody’s immediately prior to the occurrence of such withdrawal, it shall not constitute a Distressed Ratings Downgrade if such Reference Obligation is assigned a public rating of at least “Ca” by Moody’s within three calendar events after such withdrawal; or

(B) if publicly rated by Standard & Poor’s, (A) is downgraded to “CCC” or below by Standard & Poor’s or (B) has the rating assigned to it by Standard & Poor’s withdrawn and, in either case, not reinstated within five Business Days of such downgrade or withdrawal, provided that if such Reference Obligation was assigned a
Footnote Exhibits - Page 5757

public rating of at least "BBB" or higher by Standard & Poor's immediately prior to the occurrence of such withdrawal, it shall constitute a Downgraded Rating Downgrade if such Reference Obligation is assigned a public rating of at least "CCC" by Standard & Poor's within three calendar months after such withdrawal; or

(iii) if publicly rated by Fitch, (A) if it is downgraded to "CCC" or below by Fitch or (B) has the rating assigned to it by Fitch withdrawn and, in either case, not reinstated within five Business Days of such downgrade or withdrawal, provided that if such Reference Obligation was assigned a public rating of at least "BBB" or higher by Fitch immediately prior to the occurrence of such withdrawal, it shall not constitute a Downgraded Rating Downgrade if such Reference Obligation is assigned a public rating of at least "CCC" by Fitch within three calendar months after such withdrawal.

(iv) Failure to Pay Interest

"Failure to Pay Interest" means with respect to any Reference Obligation, the occurrence of an Interest Shortfall Amount or Interest Shortfall Amounts (calculated on a cumulative basis) in excess of the relevant Payment Requirement.

In respect of the Failure to Pay Interest, if the Reference Obligation is a FRN Bond, it shall be a Condition to Settlement that a period of at least 360 calendar days has elapsed since the occurrence of the Credit Event without the relevant Interest Shortfall having been reimbursed in full.

The Reference Portfolio

The Aggregate Reference Obligation Notional Amount on the Closing Date is expected to be U.S.$500,000,000. The Reference Obligations will consist of 6% issued across two categories of RMBS Securities and one category of CDO Securities. The Reference Portfolio will include RMBS Midprime Mortgage Securities, RMBS Subprime Mortgage Securities and CDO RMBS Securities.

As of the Closing Date, (i) RMBS Midprime Mortgage Securities are expected to make up approximately 41.0% of the Aggregate Reference Obligation Notional Amount, (ii) RMBS Subprime Mortgage Securities are expected to make up approximately 57.4% of the Aggregate Reference Obligation Notional Amount and (iii) CDO RMBS Securities are expected to make up approximately 1.6% of the Aggregate Reference Obligation Notional Amount. See Appendix B to this Offering Circular for certain summary information with respect to the Reference Portfolio.

Removal of Reference Obligations from the Reference Portfolio

Following a Withdrawal and the satisfaction of the Conditions to Settlement including thereto, the Reference Obligation that is the subject of such Credit Event will not be removed from the Reference Portfolio, and such Reference Obligation may experience one or more subsequent Credit Events (including a Withdrawal).

Following (i) the scheduled maturity, redemption or amortization in full of a Reference Obligation or (ii) a Credit Event other than a Withdrawal and the satisfaction of the Conditions to Settlement, the Reference Obligation that matured, redeemed or amortized in full or that is the subject of such Credit Event will be removed from the Reference Portfolio. Subject to the foregoing, if the Reference Obligation Notional Amount of a Reference Obligation that suffered one or more Withdrawals is reduced to zero at any time on or prior to the Scheduled Termination Date and remains at zero for a period of one calendar year, each Reference Obligation shall be removed from the Reference Portfolio as of the last day of such one calendar year period. The Aggregate Reference Obligation Notional Amount of each Reference Obligation removed from the Reference Portfolio.

The Issuer will not have the authority to assign, terminate or otherwise dispose of any CDS Transaction on a discretionary basis. The only CDS Transactions that shall be assigned, terminated or otherwise disposed of by the Issuer are CDS Transactions that reference Reference Obligations that are determined pursuant to the Collateral Administration Agreement by the Collateral Administrator, on behalf of the Issuer, to be Credit Risk Obligations.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-00091359
Pursuant to the terms of the indenture and subject to the restrictions contained therein and in the Liquidation Agency Agreement, the Liquidation Agent shall assign, terminate or otherwise dispose of, on behalf of the Issuer, any such CDS Transaction that references a Reference Obligation that is so determined to be a Credit Risk Obligation within one (1) year from the date on which the Collateral Administrator, on behalf of the Issuer, presents to the Liquidation Agent a written certification that the CDS Transaction that references a Reference Obligation that is so determined to be a Credit Risk Obligation is not available to the Issuer, provided that, if upon commercially reasonable efforts of the Liquidation Agent, bids from three independent third parties making a market in such CDS Transaction are not available, the higher of the bids from two such third parties may be used, provided further, that, if upon commercially reasonable efforts of the Liquidation Agent, bids from two independent third parties making a market in such CDS Transaction are not available, one such bid may be used. See "Risk Factors—Notes—Static Transaction" and "—No Collateral Manager." The proceeds from any such disposition of a CDS Transaction that references a Reference Obligation that is so determined to be a Credit Risk Obligation (exclusive of any accrued interest) will be deposited in the Collateral Account for investment in Eligible Investments or Collateral Securities, and may be applied as Amortization Proceeds pursuant to the calculation of the Aggregate Amortization Amount.

In the event the Credit Default Swap is terminated prior to its scheduled maturity without the occurrence of a "credit event" or a "Buyout amount event," the Liquidation Agent, on behalf of the Issuer, shall apply the Collateral Liquidation Proceeds with respect to Collateral having a par amount equal to the amount of the Credit Default Swap Terminated Payment, if any, to the Credit Protection Buyer and any such termination payment will be paid to the Credit Protection Buyer. The Credit Protection Buyer will bear any market risk on the liquidation of such Collateral. A "Credit Risk Obligation" is a Reference Obligation (i) the rating of which has been (a) downgraded to below "B+" or "B3" by any Rating Agency (but not including any Reference Obligation which are rated "B-" or "B3" and on which credit watch is possible downgraded) or (b) withdrawn or, (ii) that is a Defaulted Obligation or (iii) that is a Pledge Bond that has been downgraded from F-rated interest for at least twelve consecutive months.

The Liquidation Agent, on behalf of the Issuer, may also (i) in the case of an Auction terminates the Credit Default Swap and liquidates the remaining Pledged Assets provided, that the criteria for an Auction can be demonstrated and prior to any such disposition and that the expected Liquidation Proceeds equal or exceed the Minimum Bid Amount, (ii) in the case of a Tax Redemption on any Payment Date, dispose of the Credit Default Swap and liquidate the remaining Pledged Assets in connection with a Tax Redemption, provided that the criteria for a Tax Redemption can be demonstrated and prior to any such disposition and that the expected Liquidation Proceeds equal or exceed the Total Redemption Amount, and (iii) in the case of an Optional Redemption, dispose of the Credit Default Swap and liquidate the remaining Pledged Assets in connection with an Optional Redemption, provided that the criteria for an Optional Redemption can be demonstrated and prior to any such disposition and that the expected Liquidation Proceeds equal or exceed the Total Redemption Amount. See "Description of the Notes—Auction" and "—Tax Redemption" and "—Optional Redemption."

Credit Default Swap Early Termination

The Issuer will have the right to terminate the Credit Default Swap upon the occurrence of an "Event of Default Termination Event," including, but not limited to, (a) payment default by the Credit Protection Buyer or any guarantor, (b) default by the Credit Protection Buyer or any guarantor on specific financial transactions as specified in the Credit Default Swap, (c) bankruptcy-related events applicable to the Credit Protection Buyer or any guarantor, (d) any redemption of the Notes in whole, (e) a liquidation of all the Pledged Assets following the occurrence of an Event of Default under the Indenture, if (i) it becomes unlawful for the Issuer to perform its obligations under the Credit Default Swap, and the Issuer is not able to transfer its obligations to a different jurisdiction or substitute another entity in its place so that such illegality ceases to apply, or (ii) because of (x) any action taken by a taxing authority, or brought in a court, on a bankruptcy proceeding, or (y) a change in tax law, there is a substantial likelihood that the Issuer will be required to (1) make a "green-up" payment or (2) receive a payment subject to withholding for which another party is not required to make a "green-up" payment or (b) the unsecured, unsubordinated debt rating of the Credit Protection Buyer or any
guarantor of the Credit Protection Buyer, whichever is higher, assigned by S&P or Moody's at any time falls below "AA-" (or is on downgrade watch at "AA-"), or (ii) the issuer fails to make any Expected Fixed Payments as set forth as the Credit Default Swap and the Credit Protection Buyer, or its guarantor, fails to either (a) transfer all of its rights and obligations under the Credit Default Swap to another entity which has such ratings or (b) cause an entry which has such ratings to guarantee or to provide an indemnity in respect of the Credit Protection Buyer or its guarantor's obligations under the Credit Default Swap which satisfies the Rating Agency Condition.

The Credit Protection Buyer will have the right to terminate the Credit Default Swap upon the occurrence of an "Event of Default" or "Termination Event" under the Credit Default Swap, including, but not limited to (a) an Event of Default under the Indenture caused by a payment default by the Issuer lasting a period of at least three business days, (b) any redemption of the Notes in whole, (c) bankruptcy-related events applicable to the Issuer, and (d) a liquidation of all the Pledged Assets following the occurrence of an Event of Default under the Indenture, (e) it becomes unlawful for the Credit Protection Buyer to perform its obligations under the Credit Default Swap and the Credit Protection Buyer is not able to transfer its obligations to a different jurisdiction or appoint another entity in its place so that such illegality ceases to apply, or (f) if (x) any action taken by a taxing authority, or brought in a court, or (y) a change in tax law, there is a material likelihood that the Credit Protection Buyer will be required to make (i) a "gross-up" payment or (ii) receive a payment subject to withholding for which another party is not required to make a "gross-up" payment. If the Master Agreement and the CDS Transactions made thereunder are terminated, the Issuer will no longer receive payments from the Credit Protection Buyer and will likely not have sufficient funds to make payments when due on the Notes and may not have sufficient funds to redeem the Notes in full.

Upon the Issuer having actual knowledge of the occurrence of any event that gives rise to the right of the Noteholders to terminate the Credit Default Swap, the Trustee or the Fiscal Agent, as applicable, will as promptly as practicable notify the Noteholders of each event but will only terminate any such agreement on behalf of the Issuer (i) at the direction of a Majority of the Issuer's Notes or (ii) (a) upon the redemption of the Second Notes in full, (b) if the principal balance of the Second Notes is reduced to zero or (c) upon the acceleration of the Second Notes in accordance with the terms of the Indenture. The Issuer is required to satisfy the Rating Agency Condition prior to any (i) replacement of the Credit Protection Buyer or (ii) assignment of the Credit Default Swap. In connection with any Noteholder vote to terminate the Credit Default Swap, any Notes held by or on behalf of the Credit Protection Buyer or any of its respective Affiliates will have no voting rights and will be deemed not to be outstanding in connection with any such vote.

If an Event of Default or a Termination Event occurs under the Credit Default Swap and (i) the Credit Protection Buyer is the Defaulter Party or Afflicted Party, "Market Quotation" and "First Method" will apply and otherwise (ii) "Market Quotation" and "Second Method" will apply, in each case as set forth in the Credit Default Swap, to value the CDS Transactions under the Credit Default Swap.

Payments on Credit Default Swap Early Termination

Payments by the Issuer. Upon the occurrence of a Credit Default Swap Early Termination, the Issuer will be required to pay to the Credit Protection Buyer the following amounts:

(i) any Physical Settlement Amounts owed by the Issuer to the Credit Protection Buyer for any Credit Default Swap Early Termination Date on or prior to the Credit Default Swap Early Termination Date for which the Conditions to Settlement have been satisfied, and

(ii) any Credit Default Swap Termination Payment due to the Credit Protection Buyer.

Payments by the Credit Protection Buyer. Upon the occurrence of a Credit Default Swap Early Termination, the Credit Protection Buyer will be required to pay to the Issuer the following amounts:

(i) any accrued but unpaid Fixed Amounts and Additional Fixed Amounts; and

Confidential Treatment Requested by Goldman Sachs
1689

Footnote Exhibits - Page 5760

(ii) any Credit Default Swap Termination Payment due to the Issuer.

There can be no assurance that, upon early termination by the Issuer or the Credit Protection Buyer, either the Credit Protection Buyer would be required to make any termination payment to the Issuer or, if it did make such a payment, the amount of the termination payment made by the Credit Protection Buyer would be sufficient to pay any amounts due in respect of the Notes. If the Issuer is required to make a Credit Default Swap Termination Payment to the Credit Protection Buyer, such termination payment may be substantial and may result in losses to the holders of the Notes.

Amendment

The Credit Default Swap may be amended only with (i) the satisfaction of the Rating Agency Condition, (ii) the consent of the Holders (in a percentage as would have been required had such amendment been taken pursuant to this Indenture) and (iii) the consent of the Liquidation Agent (which consent shall not be unreasonably withheld); provided, however, that (A) with respect to (i), such Rating Agency Condition with respect to Moody’s need not be satisfied with respect to any amendment that corrects a manifest error and (B) with respect to (ii) and (iii), such consent shall not be required, if, in reliance on an opinion of counsel or an officer’s certificate of the Liquidation Agent, the Issuer determines that such amendment would not have a material adverse effect on such party.

Guarantee

The GS Group will guarantee the obligations of the Credit Protection Buyer under the Credit Default Swap.

THE CREDIT PROTECTION BUYER

The initial Credit Protection Buyer under the Credit Default Swap will be Goldman Sachs International.

The swap guarantor with respect to the Credit Default Swap is The Goldman Sachs Group, Inc., a Delaware corporation (the “GS Group”), which is an affiliate of the Credit Protection Buyer. Goldman Sachs International is located at 85 Broad Street, New York, NY 10004.

The Annual Report on Form 10-K for the fiscal year ended November 30, 2006 filed by GS Group with the SEC (other than, in each case, documents or information deemed to have been furnish and not filed in accordance with SEC rules) will not form part of a prospectus prepared for purposes of admission to the official list of the Irish Stock Exchange and to trading on its regulated market should any Notes be listed on such exchange.

GS Group, together with its subsidiaries, is a global investment banking, securities and investment management firms that provides financial services worldwide to clients that include corporations, financial institutions, governments and high net-worth individuals.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this Offering Circular, or contained in this Offering Circular, will be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. GS Group’s filings with the SEC are available to the public through the SEC’s internet site at http://www.sec.gov, and through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which GS Group’s common stock is listed.

The Notes do not represent an obligation of, and will not be insured or guaranteed by, GS Group or any of its subsidiaries and investors will have no rights or recourse against GS Group or any of its subsidiaries.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912662
THE COLLATERAL SECURITIES

The Initial Collateral Securities

Pursuant to the Credit Default Swap, the Issuer will use the net proceeds from the offering of the Notes to purchase Collateral Securities and Eligible Investments (having an initial principal amount as of the Closing Date of approximately U.S.$10,000,000).

The Collateral Securities or Eligible Investments for deposit after the Closing Date in the Collateral Account, as applicable, are required to satisfy the following "Collateral Securities Eligibility Criteria":

(b) it (i) is rated "Aaa" by Moody's and, if such asset has a short-term rating from Moody's, "P-1", and "AAA" by S&P, and, if such asset has a short-term rating from S&P, "A-1"; and (b) does not have a "V", "P", "Q", "P" or "V" subgrade;

(i) (a) in all cases, the payments with respect to which are not payable in a currency other than Dollars and (b) it is expected to have an outstanding principal balance of less than U.S.$1,000 after the Stated Maturity of the Class B Notes, assuming a constant prepayment rate since the date of purchase equal to the constant prepayment rate reasonably expected by the Liquidation Agent as of the date of purchase;

(ii) it is eligible to be entered into by, sold or assigned to, the Issuer;

(iii) if it is subject to an Offer;

(iv) it is an obligation upon which no payments are subject to withholding tax imposed by any jurisdiction unless the obligor thereof is required to make "gross-up" payments that cover the full amount of any such withholding taxes on an after-tax basis;

(v) after taking into consideration the addition of any such security (a) at least 40% of the Collateral Securities and Eligible Investments by principal balance have an expected average life (as calculated by the Liquidation Agent based on market prepayment assumptions) and (b) assuming that Eligible Investments have a weighted average life of zero of less than or equal to 1.0 years, (c) 100% of the Collateral Securities and Eligible Investments by principal balance have an expected average life (as calculated by the Liquidation Agent based on market prepayment assumptions) of less than or equal to 2.0 years, and (c) after Closing Date, the expected weighted average life (as calculated by the Liquidation Agent based on market prepayment assumptions and (d) assuming that Eligible Investments have a weighted average life of zero of the Collateral Securities and Eligible Investments does not exceed the expected weighted average life of the Reference Portfolio at such time;

(vii) after taking into consideration the addition of any such security, the aggregate of the weighted average spread and the rate of the related index of the Collateral, in the aggregate, is at least equal to LIBOR or if prior to the acquisition of each Collateral Security or Eligible Investment the spread and the rate of the related index of the Collateral was less than LIBOR, such acquisition would maintain or improve the aggregate of the weighted average spread and the rate of the related index of the Collateral;

(viii) after taking into consideration the addition of any such security, no more than 50% of the Collateral Securities and Eligible Investments by principal balance have single counterparty exposure including servicer, Issuer and put swap counterparty exposure;

(ix) it provides for payments of monthly periodic interest in cash at a floating rate and for a payment of principal in full and in cash at the final maturity;

(x) each such security satisfies the definition of an "Eligible Investment" or is a Residential Mortgage-Backed Security, a Commercial Mortgage-Backed Security, an Asset-Backed Security or a CDO Security;

(xi) shall not have a maturity later than the Stated Maturity of the Notes (other than the Class B Notes).
(iii) if it is a CDO Security, such CDO Security must (a) be a CDO Class Security and (b) as of the time of purchase by the Issuer, be in compliance with the applicable eligibility criteria, pro forma tests and quality tests set forth in the related Underlying Instruments,

(iv) at least 87.5% of the Collateral Securities by principal balance consists of Asset-Backed Securities, Residential Mortgage-Backed Securities or Commercial Mortgage-Backed Securities; and

(v) the purchase price thereof is equal to at least 98% of the par value of such security.

The Collateral Securities are expected to be purchased in a face amount equal to the initial Aggregate National Amount of the Credit Default Swap. Under the terms of the Indenture, all Collateral Securities are required to be deposited in the Collateral Account for the benefit of the Credit Protection Buyer. The Issuer will also grant to the Trustee for the benefit of the Second Parties, a security interest in the Collateral Securities, subject to the lien of the Credit Protection Buyer, and shall notify the Credit Protection Buyer of such security interest. The Issuer must obtain the consent of the Credit Protection Buyer with respect to any initial Collateral Securities purchased by the Issuer and any Collateral Securities purchased thereafter.

Principal payments on the Collateral Securities prior to the termination of the Credit Default Swap shall be held in accordance with the Credit Default Swap in the Collateral Account and invested in Eligible Investments until reinvested in Collateral Securities which satisfy the Collateral Securities Eligibility Criteria with the consent of the Credit Protection Buyer.

The Liquidation Agent, on behalf of the Issuer, will obtain the funds to pay Credit Protection Amounts (which, for the avoidance of doubt, will not include Defaulted Swap Terminations Payments) by applying the Collateral Liquidation Procedure.

If the Notes become due in connection with an Optional Redemption, Tax Redemption or Auction, (i) the Liquidation Agent, on behalf of the Issuer, will assign or increase the Credit Default Swap and liquidate all of the Collateral Securities and Eligible Investments in the Collateral Account and all Delivered Obligations to the Delivered Obligations Account and (ii) the Issuer will pay to the Credit Protection Buyer (and/or one or more assignees thereto) any Credit Default Swap Terminations Payments. The Issuer is required to pay to the Credit Protection Buyer (if any) in connection with any assignment or termination of the Credit Default Swap. Certain amounts will be held back if (and/or such assignee) one or more outstanding Credit Events or Paying Amounts remain due as of a Redemption Date.

If the Credit Default Swap is terminated in connection with the occurrence of an Event of Default or Termination Event (such as defined in the Master Agreement), the Liquidation Agent, on behalf of the Issuer, will pay to the Credit Protection Buyer any Credit Default Swap Terminations Payments (which, for the avoidance of doubt, will not include Defaulted Swap Terminations Payments) owed by the Issuer to the Credit Protection Buyer by applying the Collateral Liquidation Procedure. Certain amounts will be held back if one or more outstanding Credit Events exist or Paying Amounts remain due as of any termination date.

For purposes of the Convergence Tests and for purposes of determining whether a Credit Default Swap is a Credit Risk Obligation, a Credit Default Swap shall be included as a Pledged Asset having the characteristics of the Reference Obligation and net of the Credit Default Swap, provided, that if such Credit Protection Buyer is in default under the related Credit Default Swap, such Credit Default Swap shall not be included in the Convergence Tests or such Credit Default Swap will be treated in such a way that will satisfy the Rating Agency Conditions.

Substitution of Collateral Securities

From time to time following the Closing Date, any Holder of any Note may submit to the Trustee or the Fiscal Agent, as applicable, a Collateral Securities Substitution Request Notice requesting substitution of one or more securities for one or more existing Collateral Securities, in whole or in part. Following receipt of such request, pursuant to the Collateral Administration Agreement, the Collateral Administrator, on behalf of the Issuer, will determine the BIE Transaction Cost. Upon such determination by the Collateral Administrator, the Trustee or the

Confidential Treatment Requested by Goldman Sachs
Fiscal Agent, as applicable, will deliver a Collateral Securities Substitution Information Notice to the Originating Noteholder.

Within five Business Days of receiving a Collateral Securities Substitution Information Notice, the Originating Noteholder must (i) notify the Trustee or the Fiscal Agent, as applicable, whether it wishes to proceed with the proposed substitution and, if so, (ii) agree to pay any BIE Transaction Cost (regardless of whether the Holders of a Majority of the Notes of each Class consent to such proposed substitution) (the occurrence of such items (i) and (ii), a "Substitution Confirmation"). If a Substitution Confirmation is not received by the Trustee or the Fiscal Agent, as applicable, within the time period specified above, the related request will be deemed to be void and of no further effect. Upon the receipt of a Substitution Confirmation, the Trustee or the Fiscal Agent, as applicable, will deliver a BIE Consent Solicitation Notice to all Holders of Notes, including the Originating Noteholder with a copy to the Credit Protection Buyer. Upon receipt of such BIE Consent Solicitation Notice, each Holder of a Note may, on or prior to the BIE Solicitation Date, submit written notice to the Trustee or the Fiscal Agent, as applicable, indicating either (1) approval or (2) disapproval of any proposed BIE Consent Solicitation Notice by the BIE Solicitation Date. If the BIE Consent Solicitation Notice fails to receive the affirmative approval of the Holders of a Majority of each Class of Notes by the BIE Solicitation Date, the Trustee or the Fiscal Agent will deliver a Collateral Securities Substitution Noteholder Refusal Notice to theOriginating Noteholder and the related Collateral Securities Substitution Request Notice will be deemed void and of no further effect. If the BIE Consent Solicitation Notice receives the approval of the Holders of a Majority of each Class of Notes, the Trustee or the Fiscal Agent, as applicable, will deliver a BIE Acceptance Notice to the Originating Noteholder and the Liquidating Agent.

Upon receipt of the BIE Acceptance Notice and confirmation from the Trustee (1) that the Originating Noteholder has paid the BIE Transaction Cost to the Trustee and (2) that the relevant BIE Collateral Securities have been delivered to the Trustee, and the par amount of such delivered BIE Collateral Securities (which, for the avoidance of doubt, will meet the Collateral Securities Eligibility Criteria at the time of such acquisition by the Issuer) is at least equal to each of the par amount of each of the Collateral Securities to be substituted, the Trustee shall release its lien on the par amount of the relevant existing Collateral Securities to be substituted and deliver the par amount of such substituted Collateral Securities to the Originating Noteholder.

If (1) any BIE Collateral Security is not delivered to the Issuer or (2) the Issuer is not paid the BIE Transaction Cost, in each case by the end of the BIE Escrow Period identified in the BIE Acceptance Notice, the BIE Acceptance Notice and the Collateral Securities Substitution Request Notice will be deemed void and of no further effect.

Voting and Other Matters Relating to Collateral Securities and Delivered Obligations

Under the indenture, where the Issuer, as the beneficial owner of a Collateral Security or Delivered Obligation, or the Trustee, as the registered owner of a Collateral Security or Delivered Obligation, has the right to exercise a vote or consent to (or otherwise approve of) (i) any action, inaction, pursuant to the terms of such Collateral Security or Delivered Obligation and its related underlying documentation or (ii) an offer by the Issuer of such Collateral Security or Delivered Obligation or by any other person to purchase or otherwise acquire such Collateral Security or Delivered Obligation or to convert or exchange such Collateral Security or Delivered Obligation for cash or any other consideration, the Trustee, as directed by the applicable holder, acting in its capacity as registered owner of such Collateral Security or Delivered Obligation, shall direct the Issuer's vote be cast in the following manner: (x) if all holders of the class of which such Collateral Security or Delivered Obligation is a part responded to such solicitation for vote or consent, in the same manner as the vote of a plurality of the other voting holders of such class (based on the Principal Balance of such Collateral Security or Delivered Obligation), (y) if no other holders of such class exercise a vote or if there are no other holders of such class, but holders of different classes issued under the same governing instrument respond, in the same manner as the votes of a plurality of the voting holders of all such classes and rounded as a single class or (z) if no holders of any class issued under the same governing instrument respond or if there are no other holders, the Issuer's vote shall be exercised against such action or inaction.
THE LIQUIDATION AGENCY AGREEMENT

The following summary describes certain provisions of the Liquidation Agency Agreement. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Liquidation Agency Agreement.

General

The Liquidation Agent will, on behalf of the Issuer, pursuant to the Liquidation Agency Agreement, (i) assign, terminate or otherwise dispose of (a) CDS Transactions the Reference Obligations of which are determined by the Collateral Administrator, on behalf of the Issuer, pursuant to the Collateral Administration Agreement, to be Credit Risk Obligations or (b) Delivered Obligations, (ii) sell, assign, terminate or otherwise dispose of the CDS Transactions, Collateral Securities, Delivered Obligations and Eligible Investments of the Issuer in connection with (a) a redemption of the Notes as a result of an Optional Redemption, a TAx Redemption, an Auction or as otherwise required under the Indenture as described herein and (b) an acceleration of the Notes as a result of an Event of Default as required under the Indenture as described herein, (iii) invest, on behalf of the Issuer, available funds in Collateral Securities and Eligible Investments in accordance with the terms of the Indenture and (iv) perform certain other functions, as described herein. The Liquidation Agent will have twelve (12) months to assign, terminate or otherwise dispose of (a) CDS Transactions the Reference Obligations of which are determined pursuant to the Collateral Administration Agreement by the Collateral Administrator, on behalf of the Issuer, to be Credit Risk Obligations and (b) Delivered Obligations in accordance with the terms of the Liquidation Agency Agreement (such twelve month period measured from the date the Liquidation Agent is notified of either (i) such determination by the Collateral Administrator or (ii) the receipt of such Delivered Obligation by the Issuer, as applicable). The proceeds of such sale of Delivered Obligations will be deposited into the Collateral Account and invested in Eligible Investments and Collateral Securities at the discretion of the Liquidation Agent. In addition, any principal proceeds received on such Delivered Obligations prior to such sale, will be deposited into the Collateral Account. The Liquidation Agent will have no ability or authority to direct the assignment, termination or other disposition of any CDS Transactions. The Liquidation Agent will not provide investment advisory services to the Issuer or any other holder of the Notes.

The Liquidation Agent

The Liquidation Agent is Goldman, Sachs & Co. ("GS"). GS is a New York limited partnership and a registered U.S. broker-dealer. The Notes do not represent an obligation of, and will not be issued or guaranteed by GS, its parent or any of its subsidiaries or its affiliates and investors will have no rights or remedies against GS, its parent or any of its subsidiaries or affiliates.

Compensation

As compensation for the performance of its obligations under the Liquidation Agency Agreement, the Liquidation Agent will be entitled to receive a fee in accordance with the Priority of Payments, payable in arrears on each Payment Date, of 0.65% per annum (the "Liquidation Agent Fee") times the Aggregate Outstanding Portfolio Amount, measured at the beginning of the Due Period preceding each Payment Date.

If insufficient distributions on any Payment Date in accordance with the Priority of Payments are insufficient to pay the Liquidation Agent Fee as due, then the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available thereafter according to the Priority of Payments.

The Liquidation Agent Fee will be calculated on the basis of a 360-day year consisting of twelve 30-day months. All fees payable to the Liquidation Agent on a Payment Date are subject to payment only in accordance with the Priority of Payments.

The Liquidation Agent may, at its election and upon notice to the Issuer and the Trustee, direct for a predetermined period of time that all or a portion of the amount that is due to it as the Liquidation Agent Fee be paid
directly to a third party; provided, that the Liquidation Agent will not (unless it is assigning all of its rights and obligations in accordance with the Liquidation Agency Agreement) be relieved of any of its duties under the
Liquidation Agency Agreement or the Indenture as a result of the termination of its right to receive all or a portion of the
Liquidation Agent Fee.

Procedure for Disposition of CDS Transaction, Eligible Investments, Collateral Securities and Delivered Obligations

Pursuant to the Liquidation Agency Agreement, whenever the assignment, termination or other disposition
of CDS Transactions, Eligible Investments, Collateral Securities and Delivered Obligations is required under
the Indenture, as described under "The Credit Default Swap—Removal of Reference Obligations from the Reference
Portfolio," the Liquidation Agent will use commercially reasonable efforts to solicit bids from at least three
independent market makers, at least one of which is not the Liquidation Agent or its affiliate thereof; if after such
commercially reasonable efforts, bids from two independent market makers are not available, one such bid may be
used. Assuming at least one bid is received in accordance with the foregoing sentence, the applicable CDS
Transactions, Eligible Investments, Collateral Securities and Delivered Obligations shall be disposed of at the
highest bid price provided, however, that in the case of a disposition of a CDS Transaction, such CDS Transaction
shall only be disposed of if the Market Quotations (as such term is defined in the Credit Default Swap) obtained
pursuant to the terms of the Credit Default Swap expressed as a percentage of the related Initial Reference
Obligation Notional Amount should be equal to or less than 60%. The Liquidation Agent or an affiliate of the
Liquidation Agent may purchase a CDS Transaction, Eligible Investment, Collateral Security or Delivered
Obligation assigned, terminated or otherwise disposed as described above. Notwithstanding the foregoing, any
Auction shall be conducted in accordance with the auction procedures set forth in the Indenture.

Termination, Removal and Resignation

If the Liquidation Agency Agreement is terminated for any reason or the entity then serving as Liquidation
Agent resigns or is removed, the Liquidation Agent Fee owing to such entity will be prorated for any partial periods
between Payment Dates and such prorated amount will be due and payable on the first Payment Date following the
date of such termination, subject to the priority of payments.

The Liquidation Agent may resign, upon 60 days' (or such shorter notice as is acceptable to the Issuer)
written notice to the Issuer, the Trustee and the Rating Agency. If the Liquidation Agent resigns, the Issuer agrees
to use its best efforts to appoint a successor Liquidation Agent and the effectiveness of such resignation will be
conditioned upon the appointment of such successor.

The Liquidation Agent may be removed for "cause" (i) by the Issuer or the Trustee; provided that written
notice thereof shall have been given to the holders of the Notes and each Rating Agency stating that such
termination shall be effective only if directed in writing within 30 days after the date of such notice by, the holders
of at least a Super Majority of the Income Notes and a Super Majority of the Control Class, but excluding in any
such calculation any Notes held by the Liquidation Agent or any Notes over which the Liquidation Agent has
discretionary voting authority, (ii) in the case of an event described in clause (i) below, by the Issuer or the Trustee
upon 10 days' prior written notice to the Liquidation Agent, or (iii) by holders of at least a Super Majority of the
Income Notes and a Super Majority of the Control Class, but excluding in any such calculation any Income
Notes or Notes held by the Liquidation Agent or any Notes over which the Liquidation Agent has discretionary
voting authority, upon 10 days' prior written notice to the Liquidation Agent.

For purposes of determining "cause" with respect to any such termination of the Liquidation Agency
Agreement, such term shall mean the occurrence and continuation of any of the following events: (1) the
Liquidation Agent willfully violates, or takes any action that it knows breaches, any provision of the
Liquidation Agency Agreement or the Indenture applicable to it; (2) the Liquidation Agent breaches in any material
respect any provision of the Liquidation Agency Agreement or any terms of the Indenture applicable to it, which breach (i)
have a material adverse effect on the holders of the Notes and (ii) within 30 days of its becoming aware (or receiving notice
from the Trustee) of such breach. the Liquidation Agent fails to cure such breach; (3) the Liquidation Agent is
wound up or dissolved or there is appointed over it or over all or substantially all of its assets a receiver,

Confidential Treatment Requested by Goldman Sachs

GS MS5-E-000912657

93
administrators, administrative receivers, trustees or similar officers, or the Liquidation Agent (x) ceases to, or admits in writing its inability to, pay its debts as they become due and payable, or makes a general assignment for the benefit of all or a part of its property to any person, or (y) is dissolved under any law relating to bankruptcy or insolvency or is adjudicated as bankrupt or insolvent or becomes the subject of any other proceedings in bankruptcy or insolvency, or (z) becomes or is declared by a court of competent jurisdiction to be wholly or partially insolvent in accordance with the laws of any jurisdiction to which the Issuer is a party.

Any resignation or removal of the Liquidation Agent will be effective only upon (i) the appointment by the holder of a Super Majority of the Income Notes (including any Income Notes owned by the Liquidation Agent, any Affiliate of the Liquidation Agent, and any account over which the Liquidation Agent has discretionary authority) of a successor Liquidation Agent that is an established institution with experience servicing assets similar to the Pledged Assets and that has agreed in writing to assume all of the responsibilities, duties and obligations of the Liquidation Agent under the Liquidation Agency Agreement and upon the applicable terms of the Indenture, (ii) the consent of the Co-Issuer, (iii) the release of any Liens or security interests in the Pledged Assets held by the Preferred Agent, (iv) the assumption by the successor Liquidation Agent of all suits or claims of the Liquidation Agent, and (v) the execution and delivery of an agreement by and among the Co-Issuer, the Issuer, the Co-Issuer, the successor Liquidation Agent and the successor Trustee (if any) that sets forth the terms of the appointment of a successor Liquidation Agent and the conditions under which the successor Trustee may or shall resign or be removed.

Any successor Liquidation Agent will be subject to the same powers, rights, duties and obligations as the Liquidation Agent had prior to such resignation or removal and will continue to hold and be entitled to all of the Liquidation Agent's rights, powers and privileges under the Liquidation Agency Agreement and the Indenture, unless and until such successor Liquidation Agent is replaced as described in (iv) above.

Any decision or action taken by the Liquidation Agent or any successor Liquidation Agent will be conclusive and binding on all holders of the Notes and all other parties in respect of all matters pertaining thereto, and each holder of Notes will, by virtue of holding such Notes, be deemed to have notice of such decision or action.

Confidential Treatment Requested by Goldman Sachs

GS MB-E-000912868
Footnote Exhibits - Page 5767

The Liquidation Agent may assign the Liquidation Agency Agreement, in whole or in part, to an affiliate of the Liquidation Agent without the consent of the Issuer, any Class of Secured Notes or the Income Notes and without satisfaction of the Rating Agency Condition. In the event of any such assignment, Goldman Sachs & Co. will have no further obligations to the Issuer.

Except for the assignment to an affiliate, the Liquidation Agency Agreement may not be assigned by the Liquidation Agent, in whole or in part, without (i) the prior written consent of the Issuer, (ii) the prior written consent of an affirmative vote by a Majority of the Controlling Class and the holders of a Majority of the Income Notes and (iii) satisfaction of the Rating Agency Condition with respect to such assignment or delegation.

The Liquidation Agency Agreement will terminate when the earlier of the following occurs: (i) the payment in full of the Notes; (ii) the liquidation of the Pledged Assets and the final distribution of the proceeds of such liquidation to the holders of the Notes or (iii) the termination thereof due to the resignation or removal of the Liquidation Agent in accordance with the Liquidation Agency Agreement.

The Liquidation Agency Agreement may not be amended or modified or any provision thereof waived (other than in connection with an assignment to an affiliate of the Liquidation Agent) except by (i) an instrument in writing signed by the parties thereto, (ii) the prior written consent of a Majority of the Controlling Class and (iii) written confirmation from each Rating Agency to the effect that such amendment, modification or waiver will not cause a qualification, downgrading or withdrawal of its then current ratings of any Class of Notes held by such Rating Agency unless the holders of 100% of each Class of Notes that would be qualified, reduced or withdrawn due to such amendment, modification or waiver agree.

The Liquidation Agent, its affiliates and their respective members, principals, partners, managers, directors, officers, stockholders, partners, agents and employees will not be liable to the Co-Issuers, the Trustee, the Fiscal Agent, the holders of the Notes or any other Person for any losses, claims, damages, demands, charges, judgments, assessments, costs or other liabilities incurred by the Co-Issuers, the Trustee, the Fiscal Agent, the holders of the Notes or any other Person that arise out of or in connection with the performance by the Liquidation Agent of its duties under the Liquidation Agency Agreement or the Indenture, or for any decrease in the value of the Pledged Assets, provided that the Liquidation Agent shall be subject to liability by reason of acts or omissions of the Liquidation Agent constituting bad faith, willful misconduct or gross negligence in the performance, or reckless disregard, of the obligations of the Liquidation Agent under the Liquidation Agency Agreement and under the terms of the Indenture applicable to the Liquidation Agent, provided that in no event shall the Liquidation Agent or any of its affiliates be liable for consequential, special, exemplary or punitive damages. Subject to the priority of payments described herein, the Liquidation Agent will be entitled to indemnification by the Issuer under certain circumstances.

Various potential and actual conflicts of interest may arise from the overall activities of the Liquidation Agent and its affiliates. In certain circumstances, the interests of the Issuer and the holders of the Notes with respect to matters in which the Liquidation Agent is advising the Issuer may conflict with the interests of the Liquidation Agent or its affiliates. See "Risk Factors—Other Considerations—Certain Conflicts of Interest" and "—The Liquidation Agent."
Trustee in Eligible Investments in accordance with the terms of the Indenture. All Fixed Amounts and Interest Shortfall Reimbursement Payment Amounts paid by the Credit Protection Buyer to the Issuer under a CDS Transaction and any Investment Income on the Collateral will be remitted to the Interest Collection Account. If Expected Fixed Amounts (as defined in the related Master Confirmation) are paid by the Credit Protection Buyer to the Issuer in accordance with the Credit Default Swap following a default or placement on watch for downgrade of the Credit Protection Buyer, on the Payment Date immediately thereafter, the Expected Fixed Amount (as defined in the related Master Confirmation) will not be transferred to the Payment Account to be distributed in accordance with the Priority of Payments for such Payment Date but will instead be held in the Interest Collection Account until the next Payment Date.

On the Closing Date, the net proceeds of the offering of the Notes issued on each date will be used to purchase Collateral Securities and Eligible Investments with an initial principal balance of $105,000,000 which will be deposited to a single, segregated account established and maintained under the Indenture (the "Collateral Account"). The "Cash Collateral Account" shall be a subaccount of the Collateral Account. Termination payments paid by the Credit Protection Buyer to the Issuer, any amounts paid by an assignee of a CDS Transaction to the Issuer, Sale Proceeds from Collateral Securities, Deliveried Obligations and Eligible Investments (other than (i) proceeds of Collateral Securities and Eligible Investments applied to pay Credit Protection Amounts and (ii) Sale Proceeds from Eligible Investments purchased with principal payments on the Collateral Securities diverted into the Amortization Shortfall Account) received by the Issuer will be remitted by the Trustee to the Collateral Account and invested in Eligible Investments. The Collateral Securities and any Eligible Investments on deposit in the Collateral Account may be used to pay Credit Protection Amounts and to reduce the Notes as described herein. In addition, if an Amortization Shortfall Amount exists in respect of a Payment Date, all principal payments received by the Issuer on Collateral Securities and Eligible Investments (other than cash) on deposit in the Collateral Account shall be deposited by the Trustee in the Amortization Shortfall Account up to the amount required to satisfy all outstanding Amortization Shortfall Amounts. All investment earnings from the Collateral Securities and Eligible Investments in the Collateral Account will be remitted to the Interest Collection Account (and will not be included in the Collateral Account Amount). All principal payments on Collateral Securities in the Collateral Account will be invested in Eligible Investments at the discretion of the Liquidation Agent until invested in Collateral Securities satisfying the Collateral Securities Eligibility Criteria at the direction of the Liquidation Agent.

On the Business Day prior to each Payment Date other than a Final Payment Date (each a "Transfer Date"), the Trustee will deposit into a separate account (the "Payment Account") all funds (including any Investment Income in the Interest Collection Account) to the extent received prior to the end of the related Due Period for application in accordance with the Priority of Payments.

Principal Proceeds shall be deposited in the Collateral Account and subject to the calculation of the Aggregate Amortization Amount. On each Transfer Date, the Trustee will deposit all Aggregate Proceeds into the Payment Account for the application in accordance with the Priority of Payments.

On the Closing Date, U.S. $200,000 from the net proceeds of the offering of the Notes will be deposited by the Trustee into a single, segregated account established and maintained by the Trustee under the Indenture (the "Expense Reserve Account"). On each Payment Date, to the extent that funds are available for such purpose in accordance with and subject to the limitations of the Priority of Payments, the Trustee will deposit into the Expense Reserve Account an amount from Proceeds such that the amount on deposit in the Expense Reserve Account (after giving effect to such deposit) will equal U.S.$200,000. Amounts on deposit in the Expense Reserve Account may be withdrawn on a daily basis from time to time to pay accrued and unpaid Administrative Expenses of the Issuer. With respect to the first Payment Date, funds on deposit in the Expense Reserve Account in excess of U.S.$200,000 will be transferred by the Trustee to the Payment Account for application as principal proceeds. All funds on deposit in the Expense Reserve Account at the time when substantially all of the Issuer's assets have been sold or otherwise disposed of will be transferred by the Trustee to the Payment Account for application as Proceeds on the immediately succeeding Payment Date.

Under certain conditions described in the Credit Default Swap, the Credit Protection Buyer may be required to post collateral ("CDS Counterparty Collateral") under the terms of the Credit Default Swap. The CDS Counterparty Collateral pledged by the Credit Protection Buyer will be deposited by the Trustee into a segregated...
account (the "CDS Counterparty Collateral Account") established in the name of the Trustee and held therein pursuant to the terms of the Credit Default Swap.

On or before the first day on which there exists an Amortization Shortfall Amount, the Trustee will establish and maintain a single, segregated account established and maintained under the Indenture (the "Amortization Shortfall Account") into which certain principal payments and interest received by the Issuer on Collateral Securities and Eligible Investments in the Collateral Account shall be deposited up to the Amortization Shortfall Amount.

On or before the first date that a Delivered Obligation is received by the Issuer, the Trustee will establish and maintain under the Indenture a segregated collateral account (the "Delivered Obligation Account") into which all Delivered Obligations shall be deposited. Each Delivered Obligation will be held in the Delivered Obligation Account until such Delivered Obligation is sold by the Liquidation Agent, on behalf of the Issuer, pursuant to the terms of the Indenture.

Amounts retained in the Accounts during a Due Period will be invested in Eligible Investments.

REPORTS

A report will be made available to the Holders of the Secured Notes and Holders of the Income Notes and will provide information on the Pledged Assets as well as information with respect to payments made on the Notes. Each report, a "Note Valuation Report", will be prepared and in accordance with the Priority of Payments on each Payment Date. The Issuer will instruct the Trustee to prepare the reports in each Note Valuation Report in the manner specified in, and in accordance with, the Priority of Payments.

WEIGHTED AVERAGE LIFE AND YIELD CONSIDERATIONS

The Stated Maturity of the Notes (other than the Class S Notes) is the Payment Date in July 2042. However, the principal of the Notes (other than the Class S Notes) is expected to be paid in full prior to the Stated Maturity. Average life refers to the average amount of time that will elapse from the date of delivery of a security until each dollar of the principal of such security will be paid to the investor. The average lives of the Notes will be determined by the amount of principal payments which are dependent upon a number of factors, including when the Reference Obligations are repaid.

Weighted Average Life. Weighted average life refers to the average amount of time that will elapse from the date of delivery of a security until each dollar of the principal of such security will be paid to the investor. The weighted average lives of the Notes of each Class will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or advance of the scheduled maturity of the Reference Obligations (whether through sale, maturity, redemption, prepayment, default or other liquidation or disposition). The actual weighted average lives and actual maturities of the Notes will be affected by the financial conditions of the obligors on or the issuers of the Reference Obligations or the obligors on the underlying assets, and the characteristics of such securities and assets, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, prepayment rates, any interest periods or prepayment premiums or penalties, the actual default rate and the actual level of recoveries on any Defaulted Obligations, and the frequency of tender or exchange offers for such Reference Obligations. Any disposition of a CDS Transaction will change the composition and characteristics of the Reference Portfolio and Collateral Securities and the scheduled payments and payment characteristics thereof, and, accordingly, may affect the actual weighted average lives of the Notes. The rate of future defaults and the amount and timing of any cash realization from CDS Transactions the Reference Obligations of which are determined to be Credit Risk Obligations also will affect the maturity and weighted average lives of the Notes. The weighted average life of the Notes of each Class may also vary depending on whether or not the Notes are redeemed. The weighted
average lives of the Notes are expected to be shorter, and may be substantially shorter, than the Stated Maturity of the Notes.

The table set forth below indicates the percentage of the initial balance of each Class of Notes that would be outstanding on each Payment Date assuming no prepayments or losses and the weighted average life of each Class of Notes and principal window of each Class based on the assumptions (the "Collateral Assumptions") set forth below. The table set forth below is included only for illustrative purposes, and none of the Issuers, the Liquidating Agent, the Trustee or the Initial Purchaser makes any representation as to whether such assumptions will be realized.

i. Forward 1-month LIBOR curve as of March 12, 2007 are assumed;
ii. the Closing Date is March 12, 2007 and the first Payment Date is July 12, 2007 and the first Quarterly Payment Date is July 12, 2007;
iii. all of the net proceeds of the offering of the Notes are invested as of the Closing Date in the Collateral Securities;
iv. the Coverage Tests are satisfied as of the Closing Date;
v. expenses due under clauses (i), (ii) and (iii) of the Priority of Payments are paid on each Payment Date and is equal to 0.06172% per annum of the Aggregate Outstanding Portfolio Amount;
vi. the Liquidating Agent Fee is 0.05% per annum of the Aggregate Outstanding Portfolio Amount;
vii. each CDS Transaction will pay monthly on the 25th day of the month in which such payment is due and receipts will be reinvested for 12 days at a rate equal to one-month LIBOR minus 0.25%;
viii. amounts due on the Collateral Securities are paid out in accordance with the Priority of Payments on the 12th day of the month in which they are received, and if each of which is assumed to be a Business Day) and receipts will be reinvested for 12 days at a rate equal to one-month LIBOR minus 0.25%;
ix. failure to pay interest to the Holders of the Class A Notes, the Class A Notes and the Class B Notes is not an Event of Default;
xi. all unpaid Class C Note and Class D Note interest is Deferrable Interest;

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000012672
<table>
<thead>
<tr>
<th>Date</th>
<th>Class A-1</th>
<th>Class A-2</th>
<th>Class A-3</th>
<th>Class A-4</th>
<th>Class B</th>
<th>Class C</th>
<th>Class D</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 12, 2007</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>July 12, 2008</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>98.4%</td>
</tr>
<tr>
<td>July 12, 2009</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>93.3%</td>
<td>93.3%</td>
</tr>
<tr>
<td>July 12, 2010</td>
<td>76.6%</td>
<td>100.0%</td>
<td>83.4%</td>
<td>89.9%</td>
<td>80.0%</td>
<td>88.9%</td>
<td>88.9%</td>
</tr>
<tr>
<td>July 12, 2011</td>
<td>31.0%</td>
<td>100.0%</td>
<td>51.0%</td>
<td>55.0%</td>
<td>43.3%</td>
<td>76.2%</td>
<td>76.2%</td>
</tr>
<tr>
<td>July 12, 2012</td>
<td>0.9%</td>
<td>91.2%</td>
<td>20.4%</td>
<td>44.9%</td>
<td>35.4%</td>
<td>61.2%</td>
<td>61.2%</td>
</tr>
<tr>
<td>July 12, 2013</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>July 12, 2014</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Expected Weighted Average Life(2)</td>
<td>3.0 years</td>
<td>5.0 years</td>
<td>3.5 years</td>
<td>4.3 years</td>
<td>4.1 years</td>
<td>5.3 years</td>
<td></td>
</tr>
</tbody>
</table>

(1) The “Expected Principal Window” for a Class of Notes is the period in which (a) the initial principal payment of the Class is expected to be made and (b) the final payment of principal of the Class is expected to be made under the Collateral Assumptions (assuming no defaults).

(2) The “Expected Weighted Average Life” of each Class of Notes is determined by (i) multiplying the amount of each principal distribution on each Class that would result under the Collateral Assumptions by the number of years from the Closing Date to the related Payment Date (assuming 360 days in each month and a 360-day year), (ii) adding the results and (iii) dividing the sum by the aggregated principal distributions referred to in clause (i). The “Expected Principal Window” for a Class of Notes is where the first and last payments of principal are expected to be made under the Collateral Assumptions. The loss severity is assumed to be 40%.

Confidential Treatment Requested by Goldman Sachs

GS MRS-E-000912573
The table set forth below entitled "Class A-1a, A-1b, A-2, B, C and D Note Constant Default Rate Stress Tests" shows the Constant Default Rate ("CDR") and Cumulative Defaults for each Class of Notes under three stress scenarios, assuming a 65% loss severity on defaulted Reference Obligations. In column one ("First Dollar of Loss"), CDR represents the CDR starting on the July 2008 Payment Date that would result in the first dollar of principal loss to the respective Class of Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate notional amount of the Reference Obligations as of the Closing Date. In column two ("Flat Return"), CDR represents the CDR starting on the July 2008 Payment Date that would result in a yield equivalent to a zero discount margin over one-month LIBOR for the Class A-1a Notes, the Class A-1b Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate notional amount of the Reference Obligations as of the Closing Date. In column three ("Return of Investment (6% return)"), CDR represents the CDR starting on the July 2008 Payment Date that would result in an approximate 0.5% return for the Class A-1a Notes, the Class A-1b Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate notional amount of the Reference Obligations as of the Closing Date.

Class A-1a, A-1b, A-2, B, C and D Note Constant Default Rate Stress Tests

<table>
<thead>
<tr>
<th>Constant Annual Default Rate at 65% Loss Severity</th>
<th>First Dollar of Loss</th>
<th>Flat Return</th>
<th>Return of Investment (6% return)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CDR</td>
<td>Cumulative Defaults</td>
<td>CDR</td>
</tr>
<tr>
<td>Class A-1a</td>
<td>29.35%</td>
<td>54.81%</td>
<td>30.11%</td>
</tr>
<tr>
<td>Class A-1b</td>
<td>29.35%</td>
<td>54.81%</td>
<td>30.91%</td>
</tr>
<tr>
<td>Class A-2</td>
<td>21.04%</td>
<td>43.14%</td>
<td>21.52%</td>
</tr>
<tr>
<td>Class B</td>
<td>12.43%</td>
<td>28.17%</td>
<td>13.25%</td>
</tr>
<tr>
<td>Class C</td>
<td>7.91%</td>
<td>18.93%</td>
<td>8.82%</td>
</tr>
<tr>
<td>Class D</td>
<td>4.86%</td>
<td>12.09%</td>
<td>5.45%</td>
</tr>
</tbody>
</table>

*Yield.* The yield to maturity of the Notes of each Class will also be affected by the rate of repayment of the Reference Obligations, as well as by the redemption of the Notes in an Auction, an Optional Redemption or Tax Redemption (and upon the Note Redemption Price or Income Note Redemption Price, as applicable, then payable).
The Issuer is not required to repay the Notes on any date prior to their Stated Maturity. The receipt of principal payments on the Notes is at a rate slower than the rate anticipated by investors purchasing the Notes at a discount will result in an actual yield that is lower than anticipated by such investors.

The yield to maturity of the Notes may also be affected by the rate of deferrals and defaults on and liquidations of the Reference Obligations and Collateral Securities, in the event not absorbed by the Income Notes; deferrals of CDS Transactions and the effect of the Coverage Tests on payments under the Priority of Payments. The yield to investors in the Notes will also be adversely affected to the extent that the Issuers incur certain expenses that are not absorbed by the Income Notes.

THE ISSUERS

General

The Issuer was incorporated as Mekena Mezzanine Funding II, Ltd. on September 20, 2005 in the Cayman Islands with the registered number 170253. The Issuer's name was changed to Anderson Mezzanine Funding 2007-1, Ltd. on March 8, 2007. The registered office of the Issuer is at the offices of Maples Finance Limited, P.O. Box 309372, Queens activity House, South Church Street, George Town, Grand Cayman, Cayman Islands. Maples Finance Limited's telephone number is (345) 945-7099. The Issuer has no prior operating history. The Issuer's Memorandum of Association sets out the objects of the Issuer, which include the business to be carried out by the Issuer in connection with the Notes.

The Co-Issuer was incorporated on February 22, 2007 under the laws of the State of Delaware with the registered number 4103859. The registered office of the Co-Issuer is at Donald J. Puglisi, Puglisi & Associates, 850 Library Avenue, Suite 204, Newerth, Delaware, 19711. The Co-Issuer's telephone number is (302) 739-6696. The Co-Issuer has no prior operating history. Article 1 of the Co-Issuer's Certificate of Incorporation sets out the purpose of the Co-Issuer, which include the business to be carried out by the Co-Issuer in connection with the issuance of the Secured Notes.

The Co-Issued Notes are obligations only of the Issuer and the Income Notes are obligations only of the Issuer, and not of the Trustee, the Liquidation Agent, the Initial Purchaser, the Administrative Agent, the Agent, the Share Trustee or any directors, managers or officers of the Issuer or any of their respective affiliates.

The authorized share capital of the Issuer consists of 250 ordinary shares, U.S.$1.00 par value per share (the "Issuer Ordinary Share"). All of the Issuer Ordinary Shares will be outstanding as of the Closing Date. All of the outstanding Issuer Ordinary Shares will be held by the Share Trustee pursuant to the terms of a declaration of trust for the benefit of charitable and similar purposes. All of the outstanding common equity of the Co-Issuer will be held by the Share Trustee under the terms of the declaration of trust which holds the Issuer Ordinary Shares. For so long as any of the Notes are outstanding, no beneficial interest in the ordinary shares of the Issuer or of the common equity of the Co-Issuer shall be registered to a U.S. Person.
### Capitalization of the Issuer

The initial proposed capitalization of the Issuer as of the Closing Date after giving effect to the issuance of the Notes and the Issuer Ordinary Shares before deducting expenses of the offering of the Notes is as set forth below:

<table>
<thead>
<tr>
<th>Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 5 Notes</td>
<td>$2,490,000</td>
</tr>
<tr>
<td>Class A-1a Notes</td>
<td>$130,000,000</td>
</tr>
<tr>
<td>Class A-1b Notes</td>
<td>$53,000,000</td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>$30,500,000</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>$42,700,000</td>
</tr>
<tr>
<td>Class C Notes</td>
<td>$16,775,000</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>$11,090,000</td>
</tr>
<tr>
<td>Income Notes</td>
<td>$20,935,000</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$307,490,000</td>
</tr>
</tbody>
</table>

| Issuer Ordinary Shares     | 250 |
| Total Equity               | 250 |
| Total Capitalization       | $307,490,250 |

### Capitalization of the Co-Issuer

The Co-Issuer will be capitalized only to the extent of its common equity of US $10, will have no assets other than its equity capital and will have no debt other than as Co-Issuer of the Secured Notes. The Co-Issuer has agreed to co-issue the Secured Notes as an accommodation to the Issuer, and the Co-Issuer is receiving no remuneration for its services. Because the Co-Issuer has no assets, and is not permitted to have any assets, Holders of Notes will not be able to exercise their rights against any assets of the Co-Issuer. Holders of Secured Notes must rely on the Flatland Assents held by the Issuer and pledged to the Trustee for payment on their respective Secured Notes in accordance with the Priority of Payments.
Flow of Funds

The approximate flow of funds of the Issuer from the gross proceeds of the offering of the Notes on the Closing Date is as set forth below:

<table>
<thead>
<tr>
<th>Gross Proceeds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Class B Notes</td>
<td>$2,490,000</td>
</tr>
<tr>
<td>Class A-1a Notes</td>
<td>$130,000,000</td>
</tr>
<tr>
<td>Class A-1b Notes</td>
<td>$53,000,000</td>
</tr>
<tr>
<td>Class A-2 Notes</td>
<td>$30,900,000</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>$42,700,000</td>
</tr>
<tr>
<td>Class C Notes</td>
<td>$10,775,000</td>
</tr>
<tr>
<td>Class D Notes</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Income Notes</td>
<td>$20,935,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$308,400,000</strong></td>
</tr>
</tbody>
</table>

**Expenses**

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third Party Expenses</td>
<td>$1,630,000</td>
</tr>
<tr>
<td>Goldman, Sachs &amp; Co.</td>
<td>$25,000</td>
</tr>
<tr>
<td>Expense Reserve Accounts</td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,855,000</strong></td>
</tr>
</tbody>
</table>

**Collateral Assets**

<table>
<thead>
<tr>
<th>Asset Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Proceeds</td>
<td>$306,545,000</td>
</tr>
<tr>
<td>Par Value of Collateral</td>
<td>$165,000,000</td>
</tr>
<tr>
<td>Class Price of Collateral</td>
<td>$304,973,000</td>
</tr>
<tr>
<td>Cash for Purchase of Collateral</td>
<td>$27,000</td>
</tr>
<tr>
<td>Purchase Accrued Interest on Collateral</td>
<td>$666,000</td>
</tr>
<tr>
<td>First Period Interest Reserve</td>
<td>$879,000</td>
</tr>
</tbody>
</table>

**Business**

The Issuers will not undertake any business other than the issuance of the Co-Issued Notes and, in the case of the Issuer, the issuance of the Income Notes, the acquisition and management of the Pledged Assets and, in each case, other related transactions. Neither of the Issuers will have any subsidiaries other than the Co-Issuer in the case of the Issuer.
The Administrator will be subject to the overview of the Issuer's Board of Directors. The Administration Agreement may be terminated by either the Issuer or the Administrator upon 30 days' written notice.

The Administrator's principal office is: Maples Finance Limited, P.O. Box 10910GT, Queuegate House, South Church Street, George Town, Grand Cayman, Cayman Islands.

Directors

The Director of the Issuer are Carris Brunson and Carlos Pagaltah, each having an address at Maples Finance Limited, P.O. Box 19950GT, Queuegate House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The director of the Co-Issuer is Dr. Neil Pugnetti who may be contacted at the address of the Co-Issuer.

INCOME TAX CONSIDERATIONS

Circular 230

Any discussion of U.S. federal tax matters set forth in this Offering Circular was written in connection with the protection and marketing of the Issuer and the Initial Purchaser of the Notes (as defined herein). Such discussion was not intended or written to be legal or tax advice to any person and was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalty that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

United States Tax Considerations

The following is a summary of certain of the United States federal income tax consequences of an investment in the Notes by purchasers that acquire their Notes in initial offerings. The discussion and the opinions set forth below are based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (the "IRS") with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following summary does not deal with all United States federal income tax consequences applicable to any given investor, nor does it address (except, in some instances, in very general terms) the United States federal income tax considerations applicable to all categories of investors, some of which may be subject to special rules, such as Non-U.S. Holders (defined below), banks, regulated investment companies, real estate investment trusts, insurance companies, tax-exempt organizations, dealers in securities or currencies, foreign large partnerships, personal trusts, estates, and certain other investors. As a part of the offering, the Notes are being structured as debt or equity securities for United States tax purposes, and income from the Notes is considered as either debt or equity income for United States tax purposes.

The Notes are intended to be treated as debt for United States federal income tax purposes; however, the IRS has taken the position that the Notes are equity securities for United States federal income tax purposes. Furthermore, the IRS has taken the position that the Notes are equity securities for United States federal income tax purposes, subject to the receipt of certain minimum interest payments from the Notes. Investors should consult their own tax advisors as to the tax status of the Notes and how the Notes will be treated for United States federal income tax purposes.

Confidential Treatment Requested by Goldman Sachs
1706

Footnote Exhibits - Page 5777

advisors to determine the United States federal, state, local and other tax consequences of the purchase, ownership and disposition of the Notes.

As used herein, "U.S. Holder" means any holder (or beneficial holder) of a Note that is an individual citizen or resident of the United States for U.S. federal income tax purposes, a corporation or partnership or other entity treated as a corporation or partnership for U.S. federal income tax purposes created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust (or other entity) for which a court within the United States is able to exercise primary supervision over its administration and for which one or more U.S. persons (as defined in the Code) have the authority to control all of its substantial decisions or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust. If a partnership holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding the Notes should consult their own tax advisors. "Non-U.S. Holder" means any holder (or beneficial holder) of a Security that is not a U.S. Holder.

U.S. Federal Income Tax Consequences to the Issuer

Upon the issuance of the Notes, Sidley Austin LLP, special U.S. tax counsel to the Issuer, will deliver an opinion generally to the effect that under current law, and assuming compliance with the Indenture (and certain other documents) and based on certain factual representations made by the Issuer and/or G&Co., although the matter is not free from doubt, the Issuer will not be engaged in the conduct of a trade or business in the United States. Accordingly, the Issuer does not expect to be subject to net income taxation in the United States. Prospective investors should be aware that opinions of counsel are not binding on the IRS and there can be no assurance whatsoever that the IRS will not seek to treat the Issuer as engaged in a United States trade or business. If the IRS were to successfully characterize the Issuer as engaged in such a trade or business, among other consequences, the Issuer would be subject to net income taxation in the United States (as well as the branch profits tax) on its income that is effectively connected to such United States trade or business. The foregoing would materially affect the Issuer's financial ability to pay principal and interest on the Notes.

The Issuer intends to acquire Collateral Assets and enter into certain swap transactions the interest on which, and any gain from the sale or disposition thereof, is expected not to be subject to United States federal withholding tax or withholding tax imposed by other countries (unless subject to being "preamtuated"). The Issuer will not, however, make any independent investigation of the circumstances surrounding the issuance of the individual assets comprising the Collateral Assets or Reference Obligations and thus there can be no assurance that in every case payments will be received free of withholding tax. If the Issuer is a CFC (defined below), the Issuer would enter U.S. withholding tax on interest received from a related United States person.

In addition, it is not expected that the Issuer will derive material amounts of any other items of income that would be subject to United States withholding taxes.

If withholding or deduction of any taxes from payments is required by law in any jurisdiction, the Issuer shall be under no obligation to make any additional payments to the holders of any Notes in respect of such withholding or deduction.

Notwithstanding the foregoing, any commitment or facility fee (or other similar fee) that the Issuer earns may be subject to a 30% withholding tax.

Classification and Tax Treatment of the Secured Notes. The Issuer has agreed and, by its acceptance of a Secured Note, each such Noteholder will be deemed to have agreed, to treat each of the Secured Notes as debt of the Issuer for U.S. federal income tax purposes except to the extent such a Noteholder makes a protective QEP election (described below). On the Closing Date, Sidley Austin LLP will deliver an opinion generally to the effect that assuming compliance with Indenture (and certain other documents) and based on certain factual representations made by the Issuer and/or G&Co., the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be characterized as debt of the Issuer for U.S. federal income tax purposes. Prospective investors should be aware that opinions of counsel are not binding on the IRS and there can be no assurance that the IRS will not seek to characterize any Class of Secured Notes as other than indebtedness. Except as provided under —

105

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912679

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01710 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT

001.706
Alternative Characterization of the Secured Notes** below, the balance of this discussion assumes that the Secured Notes will be characterized as debt of the Issuer for federal income tax purposes.

For U.S. federal income tax purposes, the Issuer of the Secured Notes, and not the Co-Issuer, will be treated as the issuer of the Secured Notes.

Subject to the following paragraph, U.S. Holders of the Secured Notes will include payments of stated interest received on the Secured Notes in income in accordance with their method of tax accounting as ordinary interest income.

While not absolutely certain, it appears that the Class C Notes and the Class D Notes will be issued with original issue discount ("OID", and such a Note, an "OID Note") because interest payments on such Notes ("OID interest payments") may not be considered to be unconditionally payable (in requisite for interest to constitute OID) since they will be deferred in the event that certain overcollateralization ratios are not met and failure to pay interest will not, in certain circumstances, be an event of default. A U.S. Holder of an OID Note will be required to include OID in gross income as it accrues under a constant yield method, based on the original yield to maturity of the Note. Thus, the U.S. Holder of an OID Note will be required to include original issue discount in income as it accrues, prior to the receipt of the cash attributable to such income. U.S. Holders, however, would be entitled to claim a less upon maturity or other disposition of an OID Note with respect to interest amounts accrued and included in gross income for which cash is not received. Such a less generally would be a capital loss.

Although there can be no assurance, the Secured Notes should not be "conduit bond payment" debt instruments ("CPDIs") within the meaning of Treasury Regulation section 1.1272-4, effective for debt instruments issued after August 12, 1996. If any Client of Notes were considered such instruments, among other consequences, gain on the sale of such Notes that might otherwise be capital gain would be ordinary income. Prospective investors should consult their own tax advisors regarding the possible characterization of the Notes as CPDIs.

The Secured Notes may be debt instruments described in section 1272(a)(9) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of original issue discounts, market discount and bond premium apply to debt instruments described in section 1272(a)(9). Further, these debt instruments may not be part of an integrated transaction with a related hedge under Treasury Regulation §1.1274-6. Prospective investors should consult with their own tax advisors regarding the effects of section 1272(a)(9).

In general, a U.S. Holder of a Secured Note will have a tax basis in such Note equal to the cost of such Note increased by any market discount includible in income by such U.S. Holder and reduced by any amortized premium and any principal payments and any OID interest payment. Upon a sale, redemption or retirement, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, redemption or other disposition (less any accrued and unpaid interest, which would be taxable as such) and the U.S. Holder's tax basis in such Secured Note. Such gain or loss generally will be a long term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for long term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterization of the Secured Notes. U.S. Holders should recognize that there is some uncertainty regarding the appropriate classification of instruments such as the Secured Notes. It is possible, for example, that the IRS may contend that a class of Secured Notes should be treated as equity interests (or as part debt, part equity) in the Issuer. Such a recharacterization might result in material adverse tax consequences to U.S. Holders. If U.S. Holders of Secured Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to U.S. Holders of such recharacterized Notes would be as described under "—United States Tax Treatment of Holders of Income Notes." In addition, in order to avoid application of the PFIC rules, each U.S. Holder should consider making a qualified electing fund election (the "QEF election"), provided in sections 1295 of the Code on a "protective" basis (although such protective election may not be respected by the IRS because current regulations do not specifically authorize that particular election). See "—United States Tax Treatment of Holders of Income Notes—Status of the Issuer as a PFIC" and "—QEF Election."

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912680
Information Reporting Requirements. Under United States federal income tax law and regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. These reporting requirements apply to both taxable and tax-exempt U.S. Holders. Penalties for failure to file certain of these information returns are severe. Purchasers of the Secured Notes should consult with their own tax advisors regarding the necessity of filing information returns.

If requested by the Issuer, each Holder will be required to provide the Issuer with the name and status of each beneficial owner of a Secured Note that is a U.S. Holder.

Prospective investors should consult with their own tax advisors with respect to whether they are required to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Non-U.S. Holders

A Non-U.S. Holder of a Secured Note that has no connection with the United States will not be subject to U.S. withholding tax on interest payments. Non-U.S. Holders may be required to make certain tax representations regarding the identity of the beneficial owner of the Notes in order to receive payments free of withholding.

United States Tax Treatment of Holders of Income Notes

General. Prospective investors of the Income Notes should not rely on this summary only and should consult their own tax advisors regarding alternative characterizations of the Income Notes and the consequences of their acquiring, holding, and disposing of the Income Notes, including the possibility that the Income Notes will be treated as contingent payment debt instruments. Subject to the anti-deferral rules discussed below, payments on Income Notes paid by the Issuer to a U.S. Holder that is subject to United States federal income tax will be taxable to such U.S. Holder as a payment to the extent of the current and accumulated earnings and profits of the Issuer. Dividends will not be eligible for the dividends received deductions allowable to corporations. Distributions in excess of earnings and profits will be taxable to the extent of, and will be applied against and reduce, the U.S. Holder's adjusted tax basis in the Income Notes. Distributions in excess of earnings and profits and the U.S. Holder's tax basis will be taxable as gain from the sale or exchange of property.

The tax consequences discussed in the preceding paragraph are likely to be materially modified by the anti-deferral rules discussed below. In general, each U.S. Holder's investment in the Issuer will be taxed as an investment in a "passive foreign investment company" ("PFIC"). In addition, each U.S. Holder's investment in the Issuer may be taxed as an investment in a CFC, depending (in part) upon the percentage of the Issuer's equity that is acquired and held by certain U.S. Holders. If applicable, the rules pertaining to CFCs generally override those pertaining to PFICs (although, in certain circumstances, more than one set of rules may be applicable simultaneously).

Prospective investors should be aware that in determining what percentage of the equity of the Issuer is held by various categories of investors (for example, holders of notes described below) and the Liquidation Agent's interest in certain portions of the Issuer and certain classes of Secured Notes may be considered equity (and might be considered voting equity).

Prospective investors should be aware that the Issuer's income that is allocated to holders (under the QEF rules as well as under the CFC rules discussed below) will not necessarily bear any particular relationship to any year's amount of cash that is distributed on the Income Notes and in any given year may be substantially greater. Such an excess will arise, among other circumstances, when Collateral Assets are purchased at a discount, or uninsured or underinsured on the Collateral Assets or Credit Default Swap (which is included in gross assets) is used to acquire other Collateral Assets or to repay principal on the Secured Notes (which does not give rise to a deduction).

Status of the Issuer as a PFIC. The Issuer will be treated as a "passive foreign investment company" or "PFIC" for United States federal income tax purposes. U.S. Holders in PFICs, other than U.S. Holders that make a timely "qualified electing fund" or "QEF" election described below, are subject to special rules for the taxation of...

Confidential Treatment Requested by Goldman Sachs
"excess distributions" (which include both certain distributions by a PFIC and any gain recognized on a disposition of PFIC stock). In general, section 1295 of the Code provides that the amount of any "excess distribution" will be allocated to each day of the U.S. Holder's holding period for its PFIC stock. The amount allocated to the current year will be included in the U.S. Holder's gross income for the current year as ordinary income. With respect to amounts allocated to prior years, the tax imposed for the current year will be increased by the "deferred tax amount" (an amount calculated with respect to each prior year by multiplying the amount allocated to such year by the highest rate of tax in effect for such year, together with an interest charge, as though the amounts of tax were owed).

An excess distribution is the amount by which distributions for a taxable year exceed 125 percent of the average distributions in respect of the Income Notes during the three preceding taxable years (or, if shorter, the investor's holding period for the Income Notes). As indicated above, any gain recognized upon disposition (or deemed disposition) of the Income Notes will be treated as an excess distribution and taxed as described above (i.e., not be taxable as capital gain). For this purpose, a U.S. Holder that uses an Income Note as security for an obligation may be treated as having disposed of the Income Note.

[QEP Election. If a U.S. Holder (including certain U.S. Holders indirectly owning Income Notes) makes the qualified electing fund election (the "QEP election") provided in section 1295 of the Code, the U.S. Holder will be required to include its pro rata share of the Issuer's ordinary income and net capital gains (computed by any prior year's items) in income (as ordinary income and long-term capital gains, respectively) for each taxable year and pay tax thereon even if such income and gain is not distributed to the U.S. Holder by the Issuer. In addition, any losses of the Issuer will not be deductible by such U.S. Holder. A U.S. Holder that makes the QEP election, may, however (in general) elect to defer payment of tax on undistributed income (until such income is distributed or the Income Note is transferred), provided it agrees to pay interest on such deferred tax liability. For this purpose, a U.S. Holder that uses an Income Note as security for an obligation may be treated as having transferred each Income Note. If the Issuer later distributes the income or gain on which the U.S. Holder has already paid taxes, amounts so distributed to the U.S. Holder will not be further taxable to the U.S. Holder. A U.S. Holder's tax basis in the Income Notes will be increased by the amount included in such U.S. Holder's income and decreased by the amount of receivable distributions. In general, a U.S. Holder making the QEP Election will recognize, on the disposition of the Income Notes, capital gain or loss equal to the difference, if any, between the amount realized upon such disposition (including redemption or retirement) and its adjusted tax basis in such Income Notes. Such gain or loss generally will be long term capital gain or loss if the U.S. Holder held the Income Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for net long term capital gains, however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.]

In general, a QEP election should be made on or before the due date for filing a U.S. Holder's federal income tax return for the first taxable year for which it held an Income Note.

The QEP election is effective only if certain required information is made available by the Issuer to the IRS. The Issuer will undertake to comply with the IRS information requirements necessary to be a QEP, which will permit U.S. Holders to make the QEP election. Nonetheless, there can be no assurance that such information will always be available or presented.

Where a QEP election is not timely made by a U.S. Holder for the year in which it acquired its Income Notes, but is made for a later year, the excess distribution rules can be avoided by making elections to recognize gain from a deemed sale of the Income Notes at the time when the QEP election becomes effective.

A U.S. Holder should consult its own tax advisors regarding whether it should make a QEP election (and, if it failed to make an initial election, whether it should make an election in a subsequent taxable year).

States of the Issuer as a CFC. U.S. tax law also contains special provisions dealing with controlled foreign corporations ("CFC"). A U.S. holder (or any other holder of an interest treated as voting equity in the foreign corporation that would meet the definition of U.S. Holders but for the fact that such holder does not hold Income Notes that owns (directly or indirectly) at least 10 percent of the voting stock of a foreign corporation, the U.S. Holder is considered a "U.S. Shareholder" with respect to the foreign corporation. If U.S. Shareholders in the

Confidential Treatment Requested by Goldman Sachs

OS MBS-E-000912682
aggregate own (directly or indirectly) more than 50% of the voting power or value of the stock of such corporation, the foreign corporation will be classified as a CFC. Complex attribution rules apply for purposes of determining ownership of stock in a foreign corporation such as the Issuer.

If the Issuer is classified as a CFC, a U.S. Shareholder (and possibly any U.S. Holder that is a direct or indirect holder of a greater trust or estate considered to be a U.S. Shareholder) that is a shareholder of the Issuer as of the end of the Issuer's taxable year generally would be subject to current U.S. tax on the income of the Issuer, regardless of cash distributions from the Issuer. Earnings subject to tax generally as income of the U.S. Holder generally will not be taxed again when they are distributed to the U.S. Holder. In addition, income that would otherwise be characterized as capital gain and gain on the sale of the CFC's stock by a U.S. Shareholder during the period that the corporation is a CFC (and thereafter for a two-year period) would be classified in whole or in part as dividend income.

Certain income generated by a corporation conducting a banking, financing, insurance, or other similar business would not be includible in a holder's income under the CFC rules. However, each holder of an Income Note will agree, by its acquisition of the Income Notes, not to take the position that the Issuer is engaged in such a business. Accordingly, if the CFC rules apply, a U.S. Shareholder would generally be subject to tax on its share of all of the Issuer's income.

Information Reporting. In general, U.S. Holders that acquire any Income Notes (or any Class of Notes recharacterized as equity in the Issuer) for cash may be required to file an IRS Form 926 with the IRS and to supply certain additional information to the IRS if (i) such U.S. Holder owns (directly or indirectly) immediately after the transfer, at least 10% by vote or value of the Issuer or (ii) the transfer is aggregated with all related transfers under applicable regulations, exceeds U.S.$100,000. In the event a U.S. Holder that is required to file such form fails to file such form, the U.S. Holder could be subject to a penalty of up to U.S.$100,000 (computed as 10% of the gross amount paid for the Income Notes) or more if the failure to file was due to intentional disregard of its obligations. Other important information reporting requirements apply to persons that acquire 10% or more of a foreign corporation's equity.

Prospective Investors should consult with their own tax advisors with respect to whether they are required to file IRS Form 926 (Reportable Transaction Disclosure Statement).

Tax-Exempt Investors. Special considerations apply to pension plans and other investors ("Tax-Exempt Investors") that are subject to tax only on their "related business taxable income" ("RBTI"). A Tax-Exempt Investor's income from an investment in the Issuer generally should not be treated as resulting in RBTI under current law, so long as such investor's acquisition of stock in the Issuer is not defeasible, and such investor does not own more than 50% of the Issuer's equity (here, the Income Notes and any Class of Secured Notes (if any) that is recharacterized as equity).

Tax-Exempt Investors should consult their own tax advisors regarding an investment in the Issuer.

Taxation of Non-U.S. Holders. Dividends on, and gains from the sale, exchange or redemption of, Income Notes generally should not be subject to United States federal income tax on the hands of a Non-U.S. Holder that has no connection with the United States other than the holding of the Income Notes.

Cayman Islands Tax Considerations

The following discussion of certain Cayman Islands income tax consequences of an investment in the Notes is based on the advice of Maples and Calder as to Cayman Islands law. The discussion is in general terms, and is subject to prospective and retroactive change. It assumes that the Issuer will conduct its affairs in accordance with representations made by, and representations made to, counsel. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.
Footnote Exhibits - Page 5782

Under existing Cayman Islands laws:

(i) payments of principal and interest in respect of the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any Holder of a Note and gains derived from the sale of Notes will not be subject to Cayman Islands income or corporate tax. The Cayman Islands currently have no income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax; and

(ii) no stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

The issuer has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for and obtained an undertaking from the Governor In Cabinet of the Cayman Islands in the following form:

THE TAX CONCESSIONS LAW
(1999 REVISION)

UNDERTAKING AS TO TAX CONCESSIONS

In accordance with Section 6 of the Tax Concessions Law (1999 Revision) the Governor in Cabinet undertakes with Andersons Mercantile Funding 2007-1, Ltd. (the “Company”):

(a) that no tax which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations, and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

(c) on or in respect of the shares, debenture or other obligations of the Company; or

(d) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revised).

These concessions shall be for a period of twenty years from the 3rd day of October, 2006

ERISA CONSIDERATIONS

The United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" as defined in and subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing such ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes.

Sections 406 of ERISA and Sections 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts together with ERISA Plans, "Plans") and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "Parties in Interest") having certain relationships to such Plans, unless a statutory, regulatory or administrative exemption is applicable to

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912684

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01715 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
the transaction. A Party in interest who engages in a prohibited transaction may be subject to civil and other penalties and liabilities under ERISA and Section 4975 of the Code.

The United States Department of Labor ("DOL") has promulgated a regulation, 29 C.F.R. Section 2550.3-101 (the "Plan Asset Regulation"), as modified by Section 3(a) of ERISA, describing what constitutes the assets of a Plan ("Plan Assets") with respect to the Plan's investment in an entity for purposes of applying ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation in the entity by Benefit Plan Investors is not "significant."

Prohibited transactions may arise under Section 406 of ERISA or Section 4975 of the Code if Notes are acquired with Plan Assets with respect to which the issuer, the Initial Purchaser, the Liquidation Agent, the Trustee, the Fiscal Agent or any of their respective affiliates, is a Party in Interest. Certain exceptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire a Security and the circumstances under which such decision is made. Included among these exceptions are: DOL Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by "in-house asset managers"; PTCE 95-40, regarding investments by insurance company general account; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 90-1, regarding investment by insurance company pooled separate accounts; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." The service provider exemption under new Section 408(d)(17) of ERISA and new Section 4975(d)(20) of the Code (the "Service Provider Exemption").

There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Notes, or that, if available, the exemption would cover all possible prohibited transactions.

Governmental plans and certain church and other plans, while not necessarily subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Notes.

Any insurance company proposing to invest assets of its general account in the Notes should consider the extent to which such investment would be subject to the requirements of ERISA in light of the U.S. Supreme Court's decision in John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank, 510 U.S. 86 (1993), and the enactment of Section 404(c) of ERISA. In particular, such an insurance company should consider the retroactive and prospective constructive relief granted by the DOL for transactions involving insurance company general account in PTCE 95-60 and the regulations issued by the DOL, 29 C.F.R. Section 2550.401-1 (January 5, 2000). Certain additional information regarding general accounts is set forth below.

Any Plan fiduciary or other person who proposes to use Plan Assets to purchase any Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

The role of any Security in a Plan, or to a person using Plan Assets to effect its purchase of any Security, is in no respect a representation by the Issuer, the Initial Purchaser, the Liquidation Agent, the Trustee or the Fiscal Agent that such an investment meets any relevant legal requirements with respect to investments by Plans generally or with respect to any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Class S Notes, Class A Notes, Class B Notes, Class C Notes and Class D Notes

For purposes of the Plan Asset Regulation, an equity interest includes any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Because the Secured Notes (a) are expected to be treated as indebtedness under local law and for federal tax purposes (see "Income Tax Considerations" herein), and (b) should not be deemed to have any "substantial equity features.
Footnote Exhibits - Page 5784

1713

features," purchases of the Secured Notes with Plan Assets should not be treated as equity investments and, therefore, the Pledged Assets should not be deemed to be Plan Assets of the investing Plan. These conclusions are based, in part, upon the traditional debt features of the Secured Notes, including the reasonable expectation of purchase of the Secured Notes by the Plan and the Plan's willingness to repurchase them, as well as the absence of conversion rights, warrants and other typical equity features. However, if the Secured Notes were nevertheless treated as equity interests for purposes of the Plan Asset Regulation and if the assets of the Issuer were deemed to constitute Plan Assets of an investing Plan, (i) transactions involving the assets of the Issuer could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, (ii) the assets of the Issuer could be subject to ERISA’s reporting and disclosure requirements, and (iii) the fiduciary causing the Plan to make an investment in the Notes could be deemed to have delegated its responsibility to manage Plan Assets.

By its purchase of any Class A Note, Class B Note, Class C Note or Class D Note, the purchaser thereof will be deemed to have represented and warranted either that (i) it is not and will not be a Plan or an entity whose underlying assets include Plan Assets by reason of any Plan’s investment in the entity, or an employee benefit plan which is subject to any federal, state, local or foreign law ("Similar Law") that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code; or (ii) as purchase and holding of a Class A Note, Class B Note, Class C Note or Class D Note is eligible for the exemptive relief available under FTCE 84-14, 90-1, 91-38, 93-60, 96-23, the Service Provider Exemption, or a similar exemption or, in the case of a plan subject to Similar Law, do not and will not result in or constitute a prohibited transaction under Similar Law for which an exemption is not available.

Income Notes

Equity participation in an entity by Benefit Plan Investors is "significant" under the Plan Asset Regulation (see above) if 15% or more of the total value of all such class of equity interest in the entity is held by Benefit Plan Investors. If equity participation in either Issuer by Benefit Plan Investors is "significant," the assets of such Issuer could be deemed to be Plan Assets of Plans investing in the equity. If the assets of either Issuer were deemed to constitute Plan Assets of an investing Plan, (i) transactions involving the assets of such Issuer could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, (ii) the assets of the Issuer could be subject to ERISA’s reporting and disclosure requirements, and (iii) the fiduciary causing the Plan to make an investment in the Issuer could be deemed to have delegated its responsibility to manage Plan Assets. The term "Benefit Plan Investor" includes (i) an employee benefit plan as defined in and subject to the provisions of Title I of ERISA, (ii) a plan as described in and subject to Section 4975(e)(1)(A) of the Code and (iii) any entity whose underlying assets include Plan Assets by reason of any such employee benefit plan’s or plan’s investment in the entity. For purposes of making the 25% determinations, the value of any equity interests in the Issuer held by a person (other than a Benefit Plan Investor who has discretionary authority or control with respect to the assets of the Issuer, any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or an affiliate of such person (any of the foregoing, a "Controlling Person"), are disregarded. Under the Plan Asset Regulation, an "affiliate" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "control" with respect to a person, other than an individual, means the power to exercise a controlling influence over the management or policies of such person.

If the equity participation in an entity by Benefit Plan Investors is significant, then the entity’s assets will be deemed to constitute Plan Assets to the extent of such investor’s interest in the entity.

The Income Notes will be equity interests for purposes of applying ERISA and Section 4975 of the Code. Accordingly, purchases and transfers of Income Notes will be limited, as that less than 25% of the total value of all the Income Notes will be held by Benefit Plan Investors, by requiring such purchases or transfers of an Income Note (other than a Regulation S Income Note) to be made (or, in the case of a Regulation S Income Note, to be deemed to have made) certain representations and agree to additional transfer restrictions described under "Notice to Investors." No purchase of an Income Note by, or proposed transfer to, or a person that has represented to, a Benefit Plan Investor or a Controlling Person will be permitted to the extent that such purchase or transfer would result in persons that have represented that they are Benefit Plan Investors owning 25% or more of the total value of the outstanding Income Notes immediately after such purchase or proposed transfer (determined in accordance with the Plan Asset Regulation and the Fiscal Agency Agreement), based upon the representations made by investors. In addition, the Initial Purchaser, the Liquidation Agent, the Trustee and the Fiscal Agent agree that neither they nor

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912686
any of their respective affiliates will acquire any Income Notes unless such acquisition would not, as determined by the Trustees or the Fiscal Agent, result in persons that have acquired Income Notes and represented that they are Benefit Plan Investors owning 15% or more of the total value of the outstanding Income Notes immediately after such acquisitions by the Initial Purchaser, the Liquidation Agent, the Trustee or the Fiscal Agent. Income Notes held as principal by the Initial Purchaser, the Liquidation Agent, the Trustee, the Fiscal Agent, any of their respective affiliates and persons that have represented that they are ‘Controlling Persons’ will be disregarded and will not be treated as outstanding for purposes of determining compliance with the 35% limitation to the extent that such a Controlling Person is not a Benefit Plan Investor. Any Benefit Plan Investor that acquires Income Notes (other than the Regulation S Income Notes) will be required to represent and agree (or, in the case of the Regulation S Income Notes, will be deemed to have represented and agreed) that the acquisition and holding of the Income Notes will not constitute a prohibited transaction under ERISA or Section 4975 of the Code, for which an exemption is not available. If any purchaser or transferee of Income Notes is an employee benefit plan subject to Employee Retirement Income Security Act, such purchaser or transferee will be deemed to have represented and warranted that its purchase and holding of the Income Notes will not constitute or result in a violation of any similar Law for which an exemption is not available.

Any entity using Plan Assets to purchase Notes, including an insurance company using general account assets, may be asked (i) to identify the maximum percentage of the assets of such entity or general account that may be or become Plan Assets, (ii) whether it is a “Controlling Person” (defined above), and (iii) without limiting the remedies that may be available in the event that the maximum percentage is thereafter exceeded, to agree to notify the Issuer, and dispose of certain Notes as instructed by the Issuer, before the specified maximum percentage is exceeded.

CERTAIN LEGAL INVESTMENT CONSIDERATIONS

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investments in the Secured Notes and the Income Notes. Any such institution should consult its legal advisors in determining whether and to what extent there may be restrictions on its ability to invest in the Secured Notes and the Income Notes. Without limiting the foregoing, any financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, any state insurance commission, or any other federal or state agency with similar authority should review any applicable rules, guidelines and regulations prior to purchasing the Secured Notes or the Income Notes. Depositary institutions should review and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy Statement on Securities Activities, which has been adopted by the respective federal regulator.

None of the Issuer or the Initial Purchaser makes any representation as to the proper characterization of the Secured Notes or Income Notes for legal investment or other purposes, or as to the ability of particular investors to purchase the Secured Notes or Income Notes for legal investment or other purposes, or as to the ability of particular investors to purchase the Secured Notes or Income Notes under applicable investment restrictions. The Issuers warrant that certain state insurance regulations, as well as any request for guidance, may be considering the characterization (as U.S. domestic or foreign (non-U.S.) of certain collateralized debt obligations) securities co-issued by a non-U.S. investor and a U.S. co-issuer. There can be no assurance as to the nature of any guidance or other action that may result from such consideration. The uncertainties described above (and any unenforceable future determinations concerning legal investment or financial institution regulatory characteristics) of the Secured Notes or Income Notes may affect the liquidity of the Secured Notes or Income Notes. Accordingly, all institutions whose activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisors in determining whether and to what extent the Secured Notes or Income Notes are subject to investigation, capital or other restrictions.

LEGAL MATTERS

Certain legal matters will be passed upon for the Issuer and the Initial Purchaser by Sidley Austin LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Maples and Calder, Grand Cayman, Cayman Islands.

Confidential Treatment Requested by Goldman Sachs GS MISS-E-000912687
UNDERWRITING

The Offi end Notes will be offi end by Goldman, Sachs & Co. (the “Initial Purchaser”), from time to time at varying prices in negotiated transactions subject to prior sale, when, as and if issued. Subject to the terms and conditions set forth in the Purchase Agreement (the “Purchase Agreement”) dated as of March 12, 2007 among Goldman, Sachs & Co. and the Issuers, the Issuers have agreed to sell to Goldman, Sachs & Co. and Goldman, Sachs & Co. has agreed to purchase all of the Secured Notes and the Income Notes.

Under the terms and conditions of the Purchase Agreement, the Initial Purchaser is committed to take and pay for all the Offi end Notes to be offi end by it, if any are taken. Furthermore, under the terms and conditions of the Purchase Agreement, the Initial Purchaser will be entitled to an underwriting discount on the Offi end Notes purchased by it and a fi xed structuring fee based upon the aggregate principal amount of the Notes.

The Offi end Notes purchased from the Issuers by the Initial Purchaser will be offi end by it from time to time for sale in negotiated transactions or otherwise at varying prices to be determined at the time of sale plus accrued interest, if any, from the Closing Date.

The Notes have not been and will not be registered under the Securities Act for offer or sale as part of their distribution and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. Person or a U.S. resident (as determined for purposes of the Investment Company Act, a “U.S. Resident”) except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Issuers have been advised by (a) the Initial Purchaser that it proposes to resell the Offi end Notes (b) outside the United States (in part, by Goldman, Sachs & Co., through its selling agent) in offshore transactions in reliance on Regulation S and in accordance with applicable law and (c) in the United States only to (i) Qualifi ed Institutional Buyers in reliance on Rule 144A purchasing for their own accounts or for the accounts of quali fi ed institutional buyers or (ii) in the case of the Income Notes only, Assembli ed Investors, which have a net worth of not less than $10 million, each of which purchasers or accounts is a Qualifi ed Purchaser. The Initial Purchaser’s discount will be the same for the Regulation S Notes and the Rule 144A Notes offi end hereby and for the Income Notes within each Class of Notes.

The Initial Purchaser has acknowledged and agreed that it will not off er, sell or deliver any Regulation S Notes purchased by it to, or for the account or benefi t of, any U.S. Person or U.S. Resident (as determined for purposes of the Regulation S Notes and (c) as part of its distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration in connection with its Regulation S Notes purchased by it a certifi cate or other notice setting forth the prohibitions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefi t of, any U.S. Person or U.S. Resident.

With respect to the Notes initially sold pursuant to Regulation S, until the expiration of (a) forty- fi ve days after the commencement of the distribution of the off ering of the Secured Notes by Goldman, Sachs & Co., with respect to off ers or sales of the Secured Notes and (b) one year after the commencement of the distribution of the Income Notes, with respect to off ers or sales of the Income Notes purchased by the Initial Purchaser, no off er or sale of Notes within the United States by a dealer that is not participating in the off ering may violate the registration requirements of the Securities Act if such off er or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

The Initial Purchaser has represented, warranted and agreed that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invita tion or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended) (“FSMA”)) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 or in circumstances in which section 23 of the FSMA does not apply to the Issuer; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.
Footnote Exhibits - Page 5787

The Notes may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or to circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and an advertisement, invitation or document relating to the Notes may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other documents or material in connection with the offer or sale, or invitation or subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 356 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is (a) a corporation which is not an accredited investor the sole business of which is to hold Investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold Investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interests in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA, (2) where no consideration is given for the transfer, or (3) by operation of law.

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”) and the Initial Purchaser has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), the Initial Purchaser has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), it has made and will make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where applicable, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €430,000,000, as shown in its last annual or consolidated accounts;

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

Confidential Treatment Requested by Goldman Sachs

GS 1985-E-000912689
Footnote Exhibits - Page 5788

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the case may be, in that Relevant Member State by any means implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in that Relevant Member State.

The Initial Purchaser has agreed that it has not made and will not make any invitation to the public in the Cayman Islands to purchase any of the Offered Notes.

Buyers of Regulation S Securities sold by the selling agents of Goldman, Sachs & Co. may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the purchase price.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuers or the Notes, in any jurisdiction where action for such purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations of any such country or jurisdiction.

The Notes are a new issue of securities with no established trading market. The Issuers have been advised by Goldman, Sachs & Co. that it may make a market in the Notes it is offering but is not obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes. There can be no assurance that any secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investment or that it will continue for the life of the Notes.

Application may be made to the Irish Stock Exchange for the Notes to be admitted to the official list of the Irish Stock Exchange and to trading on its regulated market. There can be no assurance that any such application will be made or that any such listing will be obtained.

The Issuers have agreed to indemnify the Initial Purchaser, the Liquidation Agent, the Administrator and the Trustee and their respective directors, officers, employees and agents against certain liabilities, including in the case of the Initial Purchaser, liabilities under the Securities Act, or to contribution to payments they may be required to make in respect thereof. In addition, the Issuers have made certain representations and warranties to the Initial Purchaser and have agreed to reimburse the Initial Purchaser for certain of its expenses.

The Initial Purchaser may, from time to time as principal or through one or more investment funds that it manages, make investments in the equity securities of one or more of the Issuers of Reference Obligations and Collateral Securities with the result that one or more of such issuers may be or may become controlled by the Initial Purchaser.
<table>
<thead>
<tr>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Shortfall Reimbursement</td>
<td>A-12</td>
</tr>
<tr>
<td>Interest Shortfall Reimbursement Payment Amount</td>
<td>A-12</td>
</tr>
<tr>
<td>Investment Company Act</td>
<td>1</td>
</tr>
<tr>
<td>Investments</td>
<td>49</td>
</tr>
<tr>
<td>Issuing Agent</td>
<td>33</td>
</tr>
<tr>
<td>Issuer Paying Agent</td>
<td>33</td>
</tr>
<tr>
<td>ISS</td>
<td>104</td>
</tr>
<tr>
<td>ISDA</td>
<td>42</td>
</tr>
<tr>
<td>Issue</td>
<td>A-12</td>
</tr>
<tr>
<td>Issuer Ordinary Shares</td>
<td>20, 101</td>
</tr>
<tr>
<td>Interest</td>
<td>2, 21</td>
</tr>
<tr>
<td>LIBOR</td>
<td>54</td>
</tr>
<tr>
<td>LIBOR Determination Date</td>
<td>54</td>
</tr>
<tr>
<td>Liquidation Agency Agreement</td>
<td>31</td>
</tr>
<tr>
<td>Liquidation Agent</td>
<td>31</td>
</tr>
<tr>
<td>Liquidation Agent Fee</td>
<td>92</td>
</tr>
<tr>
<td>Liquidation Proceeds</td>
<td>A-13</td>
</tr>
<tr>
<td>Majority</td>
<td>A-13</td>
</tr>
<tr>
<td>Majority Redemptions</td>
<td>27</td>
</tr>
<tr>
<td>Market Value</td>
<td>A-13</td>
</tr>
<tr>
<td>Master Agreement</td>
<td>28, 81</td>
</tr>
<tr>
<td>Master Confirmation</td>
<td>28, 81</td>
</tr>
<tr>
<td>Maximum Principal Amount</td>
<td>A-13</td>
</tr>
<tr>
<td>Minimum Bid Amount</td>
<td>A-13</td>
</tr>
<tr>
<td>Monthly Asset Amount</td>
<td>A-13</td>
</tr>
<tr>
<td>Monthly Payment Date</td>
<td>2, 24</td>
</tr>
<tr>
<td>Moody's</td>
<td>1</td>
</tr>
<tr>
<td>Moody's Rating</td>
<td>A-13</td>
</tr>
<tr>
<td>Moody’s Recovery Rate</td>
<td>A-13</td>
</tr>
<tr>
<td>Net Outstanding Portfolio Collateral Balance</td>
<td>A-14</td>
</tr>
<tr>
<td>Note-Call Period</td>
<td>A-14</td>
</tr>
<tr>
<td>Non-U.S. Holder</td>
<td>105</td>
</tr>
<tr>
<td>Nomination Date</td>
<td>23</td>
</tr>
<tr>
<td>Note Calculation Agent</td>
<td>23, 58</td>
</tr>
<tr>
<td>Note Latest Amount</td>
<td>55</td>
</tr>
<tr>
<td>Note Interest Rate</td>
<td>A-14</td>
</tr>
<tr>
<td>Note Paying Agent</td>
<td>21</td>
</tr>
<tr>
<td>Note Payer</td>
<td>106</td>
</tr>
<tr>
<td>Note Registrar</td>
<td>23</td>
</tr>
<tr>
<td>Note Transfer Agent</td>
<td>21</td>
</tr>
<tr>
<td>Note Valuation Report</td>
<td>32, 97</td>
</tr>
<tr>
<td>Noteholder</td>
<td>A-11, 14</td>
</tr>
<tr>
<td>Noteholder Certification Notice</td>
<td>A-14</td>
</tr>
<tr>
<td>Noteholder Roll</td>
<td>79</td>
</tr>
<tr>
<td>Notes</td>
<td>2, 23</td>
</tr>
<tr>
<td>Offsets</td>
<td>1, 23</td>
</tr>
<tr>
<td>Offsetting Indentures</td>
<td>2, 23</td>
</tr>
<tr>
<td>OID</td>
<td>106</td>
</tr>
<tr>
<td>OID Interest Payments</td>
<td>106</td>
</tr>
<tr>
<td>OID Note</td>
<td>106</td>
</tr>
<tr>
<td>Optional Redemption</td>
<td>27</td>
</tr>
<tr>
<td>Optional Redemption Date</td>
<td>27</td>
</tr>
<tr>
<td>Originating Noteholder</td>
<td>A-14</td>
</tr>
<tr>
<td>Outstanding Holding</td>
<td>A-14</td>
</tr>
<tr>
<td>Outstanding Holding Rate</td>
<td>A-14</td>
</tr>
<tr>
<td>Outstanding Principal Amount</td>
<td>A-15</td>
</tr>
<tr>
<td>Overcollateralization Ratio</td>
<td>A-15</td>
</tr>
<tr>
<td>Overcollateralization Test</td>
<td>A-15</td>
</tr>
<tr>
<td>Party Participation</td>
<td>75</td>
</tr>
<tr>
<td>Parties in Interest</td>
<td>110</td>
</tr>
<tr>
<td>Paying Agents</td>
<td>23</td>
</tr>
<tr>
<td>Payment Account</td>
<td>96</td>
</tr>
<tr>
<td>Payment Date</td>
<td>2, 24</td>
</tr>
<tr>
<td>PIK</td>
<td>107</td>
</tr>
<tr>
<td>Physical Settlement Amount</td>
<td>83</td>
</tr>
<tr>
<td>SFIC</td>
<td>A-15</td>
</tr>
<tr>
<td>SERP Bond</td>
<td>111</td>
</tr>
<tr>
<td>SERP Bond Regulation</td>
<td>111</td>
</tr>
<tr>
<td>SERP Bond Date</td>
<td>2, 31</td>
</tr>
<tr>
<td>Principal Balance</td>
<td>A-15</td>
</tr>
<tr>
<td>Principal Note Paying Agent</td>
<td>A-15</td>
</tr>
<tr>
<td>Principal Proceeds</td>
<td>A-16</td>
</tr>
<tr>
<td>Principal Redemption</td>
<td>A-16</td>
</tr>
<tr>
<td>Principal Redemption Date</td>
<td>A-16</td>
</tr>
<tr>
<td>Principal Redemption Date Payment</td>
<td>A-16</td>
</tr>
<tr>
<td>Priority of Payment</td>
<td>52</td>
</tr>
<tr>
<td>Proceeds</td>
<td>A-16</td>
</tr>
<tr>
<td>Purchaser Agreement</td>
<td>114</td>
</tr>
<tr>
<td>QEF election</td>
<td>106, 108</td>
</tr>
<tr>
<td>Qualified Institutional Buyer</td>
<td>3, 6, 15</td>
</tr>
<tr>
<td>Qualified Purchaser</td>
<td>7, 15</td>
</tr>
<tr>
<td>Quarterly Payment Date</td>
<td>2, 24, A-16</td>
</tr>
<tr>
<td>Rating Agencies</td>
<td>1</td>
</tr>
<tr>
<td>Rating Agency Condition</td>
<td>A-16</td>
</tr>
<tr>
<td>Record Date</td>
<td>A-16</td>
</tr>
<tr>
<td>Reference Bank</td>
<td>54</td>
</tr>
<tr>
<td>Reference Entity</td>
<td>A-17</td>
</tr>
<tr>
<td>Reference Obligation</td>
<td>A-17</td>
</tr>
<tr>
<td>Reference Obligation Calculation Period</td>
<td>A-17</td>
</tr>
<tr>
<td>Reference Obligation Coupon</td>
<td>A-17</td>
</tr>
<tr>
<td>Reference Obligation National Account</td>
<td>28, A-17</td>
</tr>
<tr>
<td>Reference Obligation Principal Amortiation Amount</td>
<td>A-17</td>
</tr>
<tr>
<td>Reference Obligation Principal Payment</td>
<td>A-17</td>
</tr>
<tr>
<td>Reference Portfolio</td>
<td>A-17</td>
</tr>
<tr>
<td>Reference Pore</td>
<td>A-17</td>
</tr>
<tr>
<td>Reference Price</td>
<td>A-17</td>
</tr>
<tr>
<td>Registered</td>
<td>A-17</td>
</tr>
<tr>
<td>Regulation S</td>
<td>1</td>
</tr>
<tr>
<td>Regulation S Co-issued Notes</td>
<td>A-15</td>
</tr>
<tr>
<td>Regulation S Global Note</td>
<td>74</td>
</tr>
<tr>
<td>Regulation S Income Notes</td>
<td>3, 10, 15</td>
</tr>
<tr>
<td>Regulation S Notes</td>
<td>7, 15</td>
</tr>
<tr>
<td>REIT Debt Security</td>
<td>A-17</td>
</tr>
</tbody>
</table>
APPENDIX A

Certain Defined Terms

"Accounts" means collectively, the Interest Collection Account, the Payment Account, the Expense Reserve Account, the Collateral Account (including the Cash Collateral Account), the CSS Counterparty Collateral Account, the Amortization Shortfall Account and the Delivered Obligation Account.

"Actual Interest Amount" means with respect to any Reference Obligation Payment Date, payment by or on behalf of the Reference Entity of an amount in respect of interest due on the Reference Obligation (excluding, without limitation, any deferred interest or defaulted interest relating to the CDS Transaction but excluding payments in respect of prepayment penalties, yield maintenance provisions or principal, except that the Actual Interest Amount shall include any payment of principal representing capitalized interest) to the holder(s) of the Reference Obligation in respect of the Reference Obligation.

"Actual Principal Amount" means, with respect to the Final Amortization Date or the legal final maturity date of any Reference Obligation, the amount paid on such date by or on behalf of the Reference Entity in respect of principal (excluding any capitalized interest) to the holder(s) of the Reference Obligation in respect of the Reference Obligation.

"Actual Rating" means with respect to any Reference Obligation, Delivered Obligation or Eligible Investment, the actual expressly stated outstanding public rating assigned by a Rating Agency without reference to any other rating by another Rating Agency, and which rating by its terms addresses the full scope of the payment promise of the obligor on such Reference Obligation, Delivered Obligation or Eligible Investment, after taking into account any applicable guarantees or insurance policy or if no such rating is available from a Rating Agency, any "credit estimate" or "shadow rating" assigned by such Rating Agency. For purposes of this definition, (i) the rating of "Aaa" assigned by Moody's is to a Reference Obligation, Delivered Obligation or an Eligible Investment placed on watch for possible downgrade by Moody's will be deemed to have been downgraded by Moody's by one subcategory and any other rating assigned by Moody's to a Reference Obligation, Delivered Obligation or an Eligible Investment placed on watch for possible downgrade by Moody's will be deemed to have been downgraded by Moody's by two subcategories, (ii) the rating assigned by S&P to a Reference Obligation, Delivered Obligation or an Eligible Investment placed on watch for possible downgrade by S&P will be deemed to have been downgraded by S&P by one subcategory, (iii) the rating of "Aa1" assigned by Moody's is to a Reference Obligation, Delivered Obligation or Eligible Investment placed on watch for possible upgrade by Moody's will be deemed to have been upgraded by Moody's by one subcategory and any other rating assigned by Moody's in a Reference Obligation, Delivered Obligation or an Eligible Investment placed on watch for possible upgrade by Moody's will be deemed to have been upgraded by Moody's by two subcategories and (iv) the rating assigned by S&P is to a Reference Obligation, Delivered Obligation or Eligible Investment placed on watch for possible upgrade by S&P will be deemed to have been upgraded by S&P by one subcategory.

"Additional Pacing Amount" means any Pacing Amount described in clause (a), (b) or (c) of the definition of Pacing Amounts.

"Adjusted Net Outstanding Portfolio Collateral Balance" means, on any Determination Date, the Net Outstanding Portfolio Collateral Balance reduced by the excess, if any, of (i) the product of (a) the Statistical Loss Amount and (b) the lesser of 1 and a fraction of the numerator of which is U.S.$395,000,000 and the denominator of which is the Net Outstanding Portfolio Collateral Balance as of the most recent Determination Date over (ii) the product of (a) U.S.$20,000,000 and (b) the lesser of 1 and a fraction the numerator of which is the Net Outstanding Portfolio Collateral Balance as of the most recent Determination Date and denominator of which is U.S.$100,000,000.

"Administrative Expenses" means amounts (including indemnities due or accrued) with respect to any Payment Date and payable by the Issuer and/or the Co-Issuer to (i) the Trustee pursuant to the Indenture or any co-trustee appointed pursuant to the Indenture, (ii) the Administrative Agent to the Administration Agreement, (iii) the independent accountants, agents (including the Note Agents under the Indenture, the Fiscal Agent and Income Notes Transfer Agent as defined under the Fiscal Agency Agreement and the Collateral Administrator under the Collateral Administration Agreement) and counsel of the Issuer for fees and expenses (excluding amounts payable in

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0000912695
connection with the preparation of tax forms on behalf of the Issuer; (vi) the Liquidation Agent pursuant to the Liquidation Agency Agreement (other than the Liquidation Agent Fees); (vii) the Rating Agencies for fees and expenses in connection with any rating or credit estimate (including the fees payable to the Rating Agencies for the monitoring of any rating or credit estimate) of the Notes, including fees and expenses, if any, due or accrued in connection with any rating of the Reference Obligations; (viii) any other person in respect of any governmental fee, charge or tax in relation to the Issuer or the Co-Issuer; (ix) to the liquidator(s) of the Issuer for the fees and expenses of liquidating the Issuer following the redemption of all of the Notes; (xiii) the Irish Bank Exchanges listing any Notes at the request of the Issuer; and (xv) any other person in respect of any other fees or expenses (including indemnification fees relating to the provision of the Issuer’s registered office) permitted under the Transaction Documents, provided that Administrative Expenses shall not include (a) any amounts due or accrued with respect to the arbitrage taken on or in connection with the Closing Date, (b) amounts payable in respect of the Secured Notes and the Income Notes and (c) any Liquidation Agent Fee payable pursuant to the Liquidation Agency Agreement.

"Aggregate Amortization Amount" means, with respect to any Payment Date calculation, the excess, if any, of (i) the Maximum Principal Amount on such date over (ii) the sum of (a) the Aggregate Reference Obligation National Amount and (b) the par value of any Delivered Obligations, Eligible Investments and any such amounts on deposit in the Delivered Obligations Account, which amounts will be drawn from the Collateral Account pursuant to the Amortization Liquidation Procedure and deposited in the Payment Account for distribution in accordance with the Priority of Payments on such Payment Date.

"Aggregate Calculation Amount of Defaulted Obligations and Deferred Interest PIK Bonds" means the least of (a) the Aggregate Moody’s Recovery Value of all Defaulted Obligations and Deferred Interest PIK Bonds, (b) the Aggregate S&P Recovery Value of all Defaulted Obligations and Deferred Interest PIK Bonds, and (c) the aggregate of the Market Values of all Defaulted Obligations and Deferred Interest PIK Bonds.

"Aggregate Moody’s Recovery Value" means, with respect to Defaulted Obligations and Deferred Interest PIK Bonds, the aggregate of (a) the Moody’s Recovery Rate for each such asset multiplied by (b) the Principal Balance of such asset.

"Aggregate Outstanding Amount" means, with respect to any of the Secured Notes or Income Notes on any date of determination, the aggregate principal amount of such Secured Notes or Income Notes outstanding on such date.

"Aggregate Outstanding Portfolio Amount" means the sum of (i) the Aggregate Reference Obligation National Amount and (ii) the Principal Balance of the Delivered Obligations and any Eligible Investments in the Delivered Obligations Account.

"Aggregate S&P Recovery Value" means the sum of, with respect to each Defaulted Obligation and each Deferred Interest PIK Bond of the issuer of (a) the Market Value for such Defaulted Obligation or Deferred Interest PIK Bond, as applicable, and (b) the S&P Recovery Rate for each Defaulted Obligation or Deferred Interest PIK Bond multiplied by the Principal Balance of each Defaulted Obligation or Deferred Interest PIK Bond.

"Amortization Liquidation Procedure" means, in connection with the payment of any Aggregate Amortization Amount, (i) first, by applying each amount on deposit in the Collateral Account received as principal on the Collateral Securities and Eligible Investments and (ii) second, once any cash on deposit in the Collateral Account has been reduced to zero, by liquidating Eligible Investments in the Collateral Account, in each case, up to the lesser of (a) such Aggregate Amortization Amount or (b) amounts available in the Collateral Account pursuant to subsection (i) above and, if necessary, (ii).

"Amortization Shortfall Amount" means, on any Payment Date where sufficient funds cannot be drawn from the Collateral Account pursuant to the Amortization Liquidation Procedure, the difference between the Aggregate Amortization Amount for such Payment Date and the amounts available from the Collateral Account on such Payment Date pursuant to the Amortization Liquidation Procedure.
"Applicable Percentage" means, on any day, a percentage equal to A divided by B, where "A" means the product of the Initial Face Amount (as such term is defined in the related CDS Transaction) and the Initial Factor (as such term is defined in the related CDS Transaction) as determined on each Delivery Date by an amount equal to (a) the outstanding principal balance of Delivered Obligations delivered to the Issuer (as adjusted by the Referent Amount, if any) divided by the Current Factor (as such term is defined in the related CDS Transaction) on such day multiplied by (b) the Initial Factor (as such term is defined in the related CDS Transaction) and where "B" means the product of the Original Principal Amount of the related Reference Obligation and the Initial Factor (as such term is defined in the related CDS Transaction); (a) as increased by the outstanding principal balance of any further issues by the Reference Entity that are fungible with and form part of the same legal series as the Reference Obligation; and (b) as decreased by any cancellations of some or all of the outstanding principal amount of the related Reference Obligation resulting from purchases of the Reference Obligation by or on behalf of the Reference Entity.

"Applicable Recovery Rate" means, with respect to any Reference Obligation or Collateral Asset on any Determination Date, the lesser of the Moody’s Recovery Rate and the S&P Recovery Rate.

"Asset-Backed Securities" or "ABS Securities" means structured finance securities which have the benefit of a financial guaranty insurance policy, or nearly bond or corporate guaranty issuing or guaranteeing the timely payment of interest or the ultimate payment of principal and the ultimate payment of principal.

"Auction Payment Date" means the Auction Date on which the Secured Notes and Income Notes are redeemed in connection with a successful Auction.

"Balance" means, as of any date, with respect to each Collateral Security, Delivered Obligations or Eligible Investments in any account, the aggregate of the (i) current balance of cash, demand deposits, time deposits, certificates of deposit and Federal funds; (ii) principal amount of interest bearing corporate and government securities, money market accounts and repurchase obligations; and (iii) purchase price or accrued value (but not greater than the face amount) of non-interest bearing government and repurchase securities and commercial paper.

"BIE Acceptance Notice" means a notice from the trustee or the Income Notes Transfer Agent, as applicable, to an Originating Noteholder specifying (i) each BIE Collateral Security that will be substituted for an existing Collateral Security, (ii) each such Collateral Security to be substituted, (iii) the BIE Exercise Period, (iv) the BIE Transaction Cost and (v) account information of the Issuer for such Originating Noteholder to deliver such BIE Collateral Security to the Issuer and to present payment of the BIE Transaction Cost to the Issuer.

"BIE Collateral Security" means any security that any Holder of a Note proposes to substitute for part or all of an existing Collateral Security pursuant to the Indenture.

"BIE Consent Solicitation Notice" means a notice from the trustee or the Fiscal Agent, as applicable, to each Holder of a Note, including the Originating Noteholder with a copy to the Credit Protection Buyer specifying (i) each proposed BIE Collateral Security and its par amount, (ii) each Collateral Security to be substituted and its par amount and (iii) the BIE Notification Date.

"BIE Exercise Period" means the period from and including the delivery of a BIE Acceptance Notice to but excluding the day that is three Business Days thereafter.

"BIE Notification Date" means the Business Day by which a Holder of a Note must respond to a BIE Consent Solicitation Notice, which date shall be 20 Business Days from the date of such BIE Consent Solicitation Notice.

"BIE Transaction Cost" means an amount, as determined pursuant to the Collateral Administration Agreement, by the Collateral Administrator, on behalf of the Issuer, equal to the aggregate amount of the expenses of the Issuer and the Trustee that would be incurred as a result of the proposed substitution of such BIE Collateral Security for part or all of an existing Collateral Security including the purchase price of any such BIE Collateral Security.
"Board of Directors" means, with respect to the Issuer or the Co-Issuer, the directors of the Issuer or the Co-Issuer, as applicable, duly appointed by the shareholders or the directors of the Issuer or the Co-Issuer, as applicable.

"Calculation Amount" means, with respect to any Defaulted Obligation or Defeased Interest PK Bond at any time, the lesser of (a) the Market Value of such Defaulted Obligation or Defeased Interest PK Bond or (b) the Applicable Recovery Rate multiplied by the Principal Balance of such Defaulted Obligation or Defeased Interest PK Bond. For purposes of determining the Calculation Amount, the Principal Balance of a Defaulted Obligation shall be deemed to be its outstanding principal amount or Reference Obligation National Amount, as applicable, and the Principal Balance of a Defeased Interest PK Bond shall be deemed to be its outstanding principal amount or Reference Obligation National Amount, as applicable, without regard to any deferred or capitalized interest.

"Cash Proceeds" means, with respect to any Due Date Period, the amount on deposit or expected to be on deposit in the Payment Account on the related Payment Date (as calculated by the Trustee two Business Days prior to such Payment Date), without taking into account any Aggregate Amortization Amount or amounts calculated in relation thereto that may be available on such Payment Date.

"CDO RMBS Securities" means CDO Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such CDO Securities) on the cash flow from (and not the market value of) a portfolio of at least 60% of principal balance of RMBS Securities.

"CDO S Note Securities" means CDO Securities that, pursuant to the terms of the related Underlying Instruments, are senior to all other securities issued in the related transaction and are entitled to principal payments in accordance with a fixed payment schedule, which principal payments are paid by applying, first, interest proceeds available and second, principal proceeds available.

"CDO Securities" means collateralized debt obligations (including, without limitation, any synthetic collateralized debt obligations or collateralized loan obligations) which may be categorized as CDO Structured Product Securities, CDO RMBS Securities, Collateralized Loan Securities and CDO Trust Preferred Securities.

"CDO Structured Product Securities" means CDO Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such CDO Securities) on the cash flow from a portfolio diversified among categories of Residential Mortgage-Backed Securities, Commercial Mortgage-Backed Securities, REIT Debt Securities, Asset-Backed Securities and CDO Securities or any combination of more than one of the foregoing or solely of CDO Securities (and which may include limited amounts of corporate securities), generally having the following characteristics: (i) repayment thereof can vary substantially from the contractual payment schedule (if any), with early repayment of individual debt securities depending on numerous factors specific to the particular issuer or obligor and upon whether, in the case of loans or securities bearing interest at a fixed rate, such loans or securities incorporate an effective prepayment premium, and (ii) proceeds from such repayments can be reinvested in additional loans and/or debt securities.

"CDO Trust Preferred Securities" means CDO Securities that entitle the holder thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such CDO Securities) on the cash flow from a portfolio of trust preferred securities issued by banks, thrifts, other depository institutions or trust subsidiaries.

"Cert" means each class of Secured Notes having the same Sweep Matrix and same alphabetical (but not necessarily numerical) designation of any of "S", "A", "B", "C", or "D" as a single claim and the Income Notes as a single class.

"Class A Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance divided by the Aggregate Outstanding Amount of the Class
A Note after giving effect to payments to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class A Note Redemption Price" shall equal (i) in the case of the Class A-1 Notes, the Class A-1a Note Redemption Price; (ii) in the case of the Class A-15 Notes, Class A-15 Note Redemption Price and (iii) in the case of the Class A-2 Notes, the Class A-2 Note Redemption Price.

"Class A-1a Note Redemption Price" shall equal (i) in the case of the Class A-1a Notes, the Class A-1a Note Redemption Price and (ii) in the case of the Class A-15 Notes, the Class A-1b Note Redemption Price.

"Class A-1a Note Interest Rate" means, for each Interest Accrual Period, a per annum rate equal to LIBOR for such Interest Accrual Period plus 0.32%.

"Class A-1b Note Redemption Price" shall equal (i) the outstanding principal amount of the Class A-1a Notes plus (ii) accrued and unpaid interest thereon (including Defeased Interest and interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class A-1b Note Interest Rate" means, for each Interest Accrual Period, a per annum rate equal to LIBOR for such Interest Accrual Period plus 0.65%.

"Class A-1b Note Redemption Price" shall equal (i) the outstanding principal amount of the Class A-15 Notes plus (ii) accrued and unpaid interest thereon (including Defeased Interest and interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class A-2 Note Redemption Price" shall equal (i) the outstanding principal amount of the Class A-2 Notes plus (ii) accrued and unpaid interest thereon (including Defeased Interest and interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class A-2 Note Interest Rate" means, for each Interest Accrual Period, a per annum rate equal to LIBOR for such Interest Accrual Period plus 0.95%.

"Class A-2 Note Redemption Price" shall equal (i) the outstanding principal amount of the Class A Notes and the Class B Notes, after giving effect to payments or reductions, as applicable, to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class B Note Interest Rate" means, for each Interest Accrual Period, a per annum rate equal to LIBOR for such Interest Accrual Period plus 1.75%.

"Class C Note Redemption Price" shall equal (i) the outstanding principal amount of the Class C Notes, plus (ii) accrued and unpaid interest thereon (excluding Defeased Interest and interest on Defaulted Interest, if any) to, but excluding, the Redemption Date.

"Class C Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance divided by the Aggregate Outstanding Amount of the Class A Notes and the Class B Notes, after giving effect to payments or reductions, as applicable, to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class C Note Interest Rate" means, for each Interest Accrual Period, a per annum rate equal to LIBOR for such Interest Accrual Period plus 5.50%.

"Class C Note Redemption Price" shall equal the sum of (i) the outstanding principal amount of the Class C Notes (including any Class C Defeated Interest) plus (ii) accrued interest thereon (including any Defeased Interest and any interest on Defaulted Interest, if any) to but excluding the Redemption Date.
"Class D Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance divided by the Aggregate Outstanding Amount of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, after giving effect to payments or selections, as applicable, to be made on the preceding Payment Date in accordance with the Priority of Payments.

"Class D Note Interest Rate" means, for each Interest Accrual Period, a per annum rate equal to LIBOR for each Interest Accrual Period plus 6.00%.

"Class D Note Redemption Premium" means on each Payment Date commencing with the Payment Date in July 2010, the product of (i) the Aggregate Outstanding Amount of the Class D Notes and (ii) the percentage corresponding to the related Payment Date according to the table below:

<table>
<thead>
<tr>
<th>Month</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2010</td>
<td>1.10%</td>
</tr>
<tr>
<td>August 2010</td>
<td>1.01%</td>
</tr>
<tr>
<td>September 2010</td>
<td>0.92%</td>
</tr>
<tr>
<td>October 2010</td>
<td>0.83%</td>
</tr>
<tr>
<td>November 2010</td>
<td>0.73%</td>
</tr>
<tr>
<td>December 2010</td>
<td>0.64%</td>
</tr>
<tr>
<td>January 2011</td>
<td>0.55%</td>
</tr>
<tr>
<td>February 2011</td>
<td>0.46%</td>
</tr>
<tr>
<td>March 2011</td>
<td>0.37%</td>
</tr>
<tr>
<td>April 2011</td>
<td>0.28%</td>
</tr>
<tr>
<td>May 2011</td>
<td>0.18%</td>
</tr>
<tr>
<td>June 2011</td>
<td>0.09%</td>
</tr>
<tr>
<td>Each Payment Date after June 2011</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

"Class D Note Redemption Price" shall equal the sum of (i) the outstanding principal amount of the Class D Notes (including any Class D Deferred Interest) plus (ii) accrued interest therein (including any Defaulted Interest and any interest on Defaulted Interest, if any) to but excluding the Redemption Date plus (iii) the Class D Note Redemption Premium (if any).

"Class D Notes Amortizing Principal Amount" means an amount equal to the lesser of (a) with respect to the First Payment Date the excess, if any, of any Proceeds remaining after payment of all amounts payable under clauses (i) through (vi) of the Priority of Payments and (b) the product of the remaining principal balance of the Class D Notes after giving effect to clauses (i) through (vii) in the priority of payments, 5% per annum (calculated based upon a 360-day year and the actual number of days in each Interest Accrual Period) with respect to each Interest Accrual Period.

"Class D Note Redemption Price" means (i) the outstanding principal amount of the Class D Notes plus (ii) accrued and unpaid interest therein (including Defaulted Interest and interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class D Note Interest Rate" means, for each Interest Accrual Period, a per annum rate equal to LIBOR for each Interest Accrual Period plus 6.00%.

"Class D Notes Amortizing Principal Amount" means an amount equal to the lesser of (a) the sum of (i) with respect to the First Payment Date, U.S.$89 and with respect to each subsequent Payment Date, U.S.$34,583.33 and (ii) the aggregate amount of any Class D Notes Amortizing Principal Amount that were due on any prior Payment Date and not paid on one or more prior Payment Dates, and (b) the remaining principal balance of the Class D Notes.

"Closing Date" means March 20, 2007.
"CMBS Conduit Securities" means Commercial Mortgage Backed Securities that entitle the holder thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage Backed Securities) on the cash flow from a pool of commercial mortgage loans.

"CMBS Credit Tenant Lease Securities" means Commercial Mortgage Backed Securities (other than CMBS Large Loan Securities and CMBS Conduit Securities) that entitle the holder thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage Backed Securities) on the cash flow from a pool of commercial mortgage loans made to finance the acquisition, construction and improvement of properties leased to corporate tenants (or on the cash flow from such leases).

"CMBS Large Loan Securities" means Commercial Mortgage Backed Securities (other than CMBS Conduit Securities and CMBS Credit Tenant Lease Securities) that entitle the holder thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage Backed Securities) on the cash flow from a pool of commercial mortgage loans made to finance the acquisition, construction and improvement of properties. Generally, five or fewer commercial mortgage loans shall account for more than 20% of the aggregate principal balance of the entire pool of commercial mortgage loans supporting payments on the securities.

"CMBS Repackaging Securities" means a security that entitles the holder thereof to receive payments that depend on the cash flow from a portfolio of all (100%) CMBS Securities, REIT Debt Securities and other interests in commercial mortgage loans or similar commercial real estate interests.

"Collateral Account Amount" means, the sum amount of Eligible Investments, Collateral Securities, Principal Proceeds and principal payments received thereon on deposit in the Collateral Accounts, provided, however, that the Collateral Account Amount shall not include any Interest Proceeds.

"Collateral Administration Agreement" means the Collateral Administration Agreement, dated as of the Closing Date, between the Issuer and the Collateral Administrator, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Collateral Administrator" means LaSalle Bank National Association, or any successor Collateral Administrator under the Collateral Administration Agreement.

"Collateral Asset" means a Collateral Security, Eligible Investment or Deliverable Obligation.

"Collateralized Loan Securities" means CDO Securities that entitle the holder thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from the collateral thereon.

"Collateralized Liquidation Procedure" means, when specified in connection with the payment of any amount, such amount shall be drawn from the Collateral Account (i) first, by applying cash amounts on deposit in the Collateral Account that were received as principal payments on the Collateral Securities and Eligible Investments, (ii) second, once the amount of such cash on deposit in the Collateral Account has been reduced to zero, by liquidating Eligible Investments in the Collateral Account and (iii) third, once the principal balance of Eligible Investments on deposit in the Collateral Account has been reduced to zero, by liquidating Collateral Securities on deposits in the Collateral Account, in each case, up to the lesser of (i) the amount specified for each payment and (ii) the amount and principal balance available in the Collateral Account pursuant to subclause (i) and, to the extent necessary, subclause (ii).

"Collateral Securities" means securities or other collateral purchased by the Issuer meeting the Collateral Securities Eligibility Criteria using the proceeds of the Notes and from time to time using the principal payments thereon and securing the Issuer's obligations under the Credit Default Swap and the Indenture.

A-7
"Collateral Securities Substitution Information Notice" means a notice from the Trustee or the Fiscal Agent, as applicable, to an Originating Holder notifying such Originating Holder of the BIE Transaction Cost relating to each proposed BIE Collateral Security.

"Collateral Securities Substitution Notice of Default" means a notice from the Trustee or the Fiscal Agent, as applicable, to an Originating Holder notifying such Originating Holder that the Holders of a Majority of a Class of Notes did not approve of one or more proposed BIE Collateral Securities by the BIE Notification Date.

"Collateral Securities Substitution Request Notice" means a notice from an Originating Holder to the Trustee or the Fiscal Agent, as applicable, (i) requesting the substitution of one or more BIE Collateral Securities for one or more existing Collateral Assets, (ii) identifying each Collateral Security and the par amount to be substituted, (iii) identifying each proposed BIE Collateral Security and the par amount and (iv) any other information that such Originating Holder deems relevant.

"Commercial Mortgage-Backed Securities" or "CMSB" means securities backed by obligations (including certificates of participation in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers and shall include, without limitation, CMSB Conduit Securities, CMSB Credit Trustee Lease Structures, CMSB Large Loan Securities and CMSB Reisecapitalization Securities.

"Controlling Class" will be the Class S Notes, the Class A-1a Notes, the Class A-1b Notes and the Class A-2 Notes (the Class S Notes, the Class A-1a Notes, the Class A-1b Notes and the Class A-2 Notes voting together as a single class), for so long as any Class S Notes or Class A Notes are outstanding; if no Class S Notes or Class A Notes are outstanding, then the Class B Notes, so long as any Class B Notes are outstanding; if no Class S Notes, Class A Notes or Class B Notes are outstanding, then the Class C Notes, so long as any Class C Notes are outstanding; and if no Class S Notes, Class A Notes, Class B Notes or Class C Notes are outstanding, then the Class D Notes, so long as any Class D Notes are outstanding.

"Corporate Trust Officer" means the principal corporate trust officer of the Trustee, currently located at 381 W. Madison Street, Chicago, Illinois 60606, Attention: CDO Trust Services Group — American Mezzanine Funding 2007-1, Ltd., or such other address as the Trustee may designate from time to time by notice to the Noteholders, the Liquidation Agent and the Issuer or the principal corporate trust office of any successor Trustee.

"Credit Default Swap" means the credit default swap entered into by the Issuer, as Credit Protection Seller, and Goldman Sachs International, as Credit Protection Buyer, on the Closing Date, evidenced by an ISDA Master Agreement (Multicurrency Credit Swaps) and the Master Confirmations.

"Credit Default Swap Early Termination Date" means the meaning set forth in the Credit Default Swap.

"Credit Default Swap Termination Payment" means any termination or assignment payment required to be paid by the Issuer in the event of a termination or assignment of the Credit Default Swap. For the avoidance of doubt, no termination payments or assignment payments are required to be paid by the Issuer in the event of a termination or assignment of the Credit Default Swap in respect of which the Credit Protection Buyer is the "Defaulting Party" or the sole "Affected Party" (each as defined in the Credit Default Swap).

"Credit Protection Amounts" means Physical Settlement Amounts, Writeoff Amounts, Principal Shortfall Amounts and Credit Default Swap Termination Payments (which, for the avoidance of doubt, will not include Defaulted Swap Termination Payments) payable by the Issuer to the Credit Protection Buyer.

"Credit Protection Buyer" means Goldman Sachs International and, if Goldman Sachs International is no longer the Credit Protection Buyer, any entity required to make payments on the Credit Default Swap pursuant to the terms of the Credit Default Swap or any guarantor thereof.

A-8

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912702
"Default" means any Event of Default or any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"Defaulted Obligation" means any Reference Obligation or Delivered Obligation with respect to which:

(i) there has occurred and is continuing for the lesser of three (3) Business Days and any applicable grace period, a default with respect to the payment of interest or principal on such Reference Obligation or Delivered Obligation in accordance with its terms, provided that, the Reference Obligation or Delivered Obligation shall not constitute a Defaulted Obligation if and when such default has been cured through the payment of all past due interest and principal or waived;

(ii) the Principal Balance of such Reference Obligation or Delivered Obligation has been written down;

(iii) the Trustee has received notice of any bankruptcy, insolvency or receivership proceeding has been instituted in connection with the issuer of such Reference Obligation or Delivered Obligation and is stayed and unmoved; provided, that, if such proceeding is an involuntary proceeding, the condition of this clause (iii) will not be satisfied until the entry of the following: (I) the issuer consents to such proceeding, (II) an order for relief under the United States Bankruptcy Code, as any similar order under a proceeding not taking place under the United States Bankruptcy Code, has been entered, and (III) such proceeding remains stayed and unmoved for 60 days; or

(iv) such Reference Obligation or Delivered Obligation has an S&P Rating of "CC" or lower, "D" or "SD" or, if S&P withdraws its rating and the S&P Rating at the time of withdrawal is "CCC" or below or such Reference Obligation or Delivered Obligation has a Moody’s Rating of “C” or lower or "Ca".

"Defaulted Swap Termination Payment" means any Credit Default Swap Termination Payment required by a bankruptcy court or receiver (in a proceeding at law or in equity) to be paid by the Issuer notwithstanding the terms of the Credit Default Swap in the event of a termination or assignment of the Credit Default Swap as respect of which the Credit Protection Buyer is the "Defaulting Party" or the sole "Affected Party" (each as defined in the Credit Default Swap).

"Deflected Interest PK Bond" means a PK Bond that (1) has an Actual Rating of "Bad" or above by Moody’s and makes payments less frequently than monthly and has deferred interest in an amount equal to the amount of interest that would accrue over the shorter of two payment periods or one year, or (2) has an Actual Rating of "Bad" or above by Moody’s and makes payments on a monthly basis and has deferred interest in an amount equal to the amount of interest that would accrue over the shorter of (i) one year and (ii) the longer of (A) the number of months between two consecutive deferrals of interest and (B) six months or (2) has an Actual Rating of "Bad" or above by Moody’s and makes payments less frequently than monthly and has deferred interest in an amount equal to the amount of interest that would accrue over the shorter of one payment period or six months, or (3) has an Actual Rating of "Bad" or below by Moody’s and makes payments on a monthly basis and has deferred interest in an amount equal to the amount of interest that would accrue over three months, provided that such PK Bond would no longer be a Deflected Interest PK Bond once payment of interest has resumed and all capitalized or deflected interest has been paid in full in accordance with the underlying documents.

"Delivered Obligation" means an obligation which, pursuant to the terms of the Credit Default Swap, may be delivered to the Credit Protection Seller as a result of a Credit Event.

"Delivered Obligation" means any Delivered Obligation delivered to the Issuer pursuant to a Notice of Physical Settlement under the Credit Default Swap.

"Delivery Date" means the date on which a Delivered Obligation is delivered to the Issuer pursuant to the Credit Default Swap.
"Distribution Compliance Period" means, with respect to the Notes, the period that ends 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date.

"Double B Calculation Amount" means the sum of the products of (a) the Principal Balance of each Double B Rated Asset and (b) 90%.

"Double B Rated Asset" means any Collateral Asset or Reference Obligation with an Actual Rating or Implied Rating from S&P less than "BBB" but with an Actual Rating greater than "B" or with an Actual Rating or Implied Rating from Moody’s less than "Ba3" but with an Actual Rating greater than "B1".

"Eligible Bidder" are (i) any institutions, which may include affiliates of the Initial Purchaser or the Liquidating Agent and Holders of the Secured Notes and the Income Notes, whose short-term unsecured debt obligations have a rating of at least "P-1" by Moody’s or "A-1+" by S&P and (ii) the Liquidating Agent.

"Eligible Depository" shall be a financial institution organized under the laws of the United States or any state thereof, authorized to accept deposits, having a combined capital and surplus of at least U.S.$100,000,000, and having no of its obligations are guaranteed by its parent company, its parent having, a long term debt rating of at least "Baa3" by Moody’s, (and if rated "Baa3", such rating is not on watch for downgrades) or "A-1" by S&P and a short term debt rating of "P-1" by Moody’s (and not on watch for downgrades) and at least "A-1+" by S&P.

"Eligible Investment" means any U.S. Dollar-denominated investment that, at the time it is delivered to the Trustee, is one or more of the following obligations or securities (including security certificates with respect thereto): (i) direct obligations of, and guaranteed obligations fully guaranteed by, the United States or any agency or instrumentality of the United States of the obligations of which are expressly backed by the full faith and credit of the United States; (ii) demand and time deposits in, certificates of deposit of, or banker’s acceptances issued by, any depository institution or trust company incorporated in the United States or any state thereof, which depository institution or trust company is subject to supervision and examination by federal or state authority, with a maturity not in excess of 363 days, and with a credit rating by S&P of at least "A-1+" or at least "AA-" as applicable, a credit rating by Moody’s of at least "P-1" or at least "Aa3" (and if rated "Aa3", not on watch for downgrades), as applicable, in the case of a maturity in excess of 363 days, or a credit rating by S&P of at least "A-1" and a credit rating by Moody’s of at least "P-1" and not on watch for downgrades in the case of a maturity of less than 363 days; (iii) commercial paper or other short-term obligations of a corporation, partnership, limited liability company or trust, or any foreign or agency thereof, issued in the United States or any of its territories, with a credit rating by S&P of at least "A-1+" (and if rated "A-1", not on watch for downgrades) or Moody’s of "AA-" or "Aa3" (and if rated "Aa3", not on watch for downgrades) or Moody’s or "A-1" or Moody’s, and not on watch for downgrades by Moody’s and "A-1" or Moody’s and "Aa3" or "Aa3" or Moody’s and "Aa3" or Moody’s and "BBB+" by S&P, provided, however, that such rating in clauses (i) through (iii) above, by Moody’s or S&P shall be an Actual Rating and provided further, that any such investment purchased on the basis of S&P’s short-term rating of "A-1" shall mature no later than 30 days after the date of purchase and may, in other than overnight investments from LaSalle Bank National Association (1) in the Trustee under the Indenture and (2) in the short-term rating from S&P of at least "A-1", issued 20% of the aggregate outstanding amount of the Notes issued by S&P. Eligible Investments shall not include any RMBS, CMBS, any inverse floaters, any security subject to withholding tax if owned by the Issuer, any security subject to an offer, any interest only security, any principal only security (other than treasure bonds or commercial paper) or any security with a price in excess of 100% of par. Each such Eligible Investment shall mature no later than the second Business Day immediately preceding the Payment Date next following the Due Period in which the date of investment occurs, unless such Eligible Investment is issued by the...
Footnote Exhibits - Page 5803

1732

institutions acting as Securities Intermediaries, in which event such Eligible Investments may mature on the Business Day preceding such Payment Date. Eligible Investments may include those investments with respect to which the Securities Intermediary, the Trustee, the Liquidation Agent or the Initial Purchaser or an affiliate of the Trustee, the Liquidation Agent or the Initial Purchaser provides services. As used in this definition, ratings may not include ratings with an “r”, “p”, “q”, “s” or “u” subscript.

*Expected Amount* means the amount determined in connection with a Credit Event in accordance with the related CDS Transaction.

*Expected Fixed Payment* shall have the meaning set forth in the Credit Default Swap.

*Expected Interest Amount* means with respect to any Reference Obligation Payment Date, the amount of current interest that would accrue during the related Reference Obligation Calculation Period calculated using the Reference Obligation Coupon on a principal balance of the Reference Obligation equal to: (i) the outstanding principal amount taking into account any reductions due to a principal deficiency balance or realized loss amount (however described in the underlying instrument) that are attributable to the Reference Obligation; minus (ii) the "Aggregate implied Writedown Amount" (as such term is defined in the related CDS Transaction) if any, and that will be payable on the related Reference Obligation Payment Date assuming for this purpose that sufficient funds are available thereby in accordance with the underlying instruments, calculated in accordance with the related CDS Transaction.

*Expected Principal Amount* means, with respect to the Final Amortization Date or the legal final maturity date of the related Reference Obligation, an amount equal to (i) the Outstanding Principal Amount of the Reference Obligation payable on such day (excluding capitalized interest) assuming for this purpose that sufficient funds are available for such payment, where such amount shall be determined in accordance with the underlying instruments, minus (ii) the sum of (A) the "Aggregate implied Writedown Amount" (as such term is defined in the related CDS Transaction) if any and (B) the net aggregate principal deficiency balance or realized loss amount (however described in the underlying instrument) that are attributable to the Reference Obligation. For purposes hereof, the Expected Principal Amount shall be determined without regard to the effect of any provisions (however described) of the underlying instruments that permit the limitation of the payments or distributions of funds in accordance with the terms of such Reference Obligation or that provide for the extinguishing or reduction of such payments or distributions.

*Final Amortization Date* means the first to occur of (i) the date on which the Reference Obligation Notional Amount is reduced to zero and (ii) the date on which the assets securing the Reference Obligation or designated to fund payments due in respect of the Reference Obligation are liquidated, distributed or otherwise disposed of in full and the proceeds thereof are distributed or otherwise disposed of in full.

*Final Payment Date* means a Payment Date with respect to an Optional Redemption, a Payment Date in connection with the Sweetened Maturity, the Redemption, the Auction or redemption due to an Event of Default resulting in acceleration of the Secured Notes and liquidation of the Pledged Assets.

*Floating Amount* means with respect to any CDS Transaction, an amount equal to the sum of: (a) the relevant Writedown Amount (if any), (b) the relevant Principal Shortfall Amount (if any), (c) the relevant Interest Shortfall Payment Amount (if any) and (d) the relevant Physical Settlement Amount (if any).

*Floating Amount Event* means with respect to any CDS Transaction, the occurrence of a Writedown, a Failure to Pay Principal or an Interest Shortfall in such event is defined in the related CDS Transaction with respect to the Reference Obligation thereunder.

*Holder* or "Noteholder" means, with respect to any Note the person in whose name such Note is registered, or, for purposes of voting, the giving of consents and other similar determinations under the Indenture or any Security Agreement, as applicable, with respect to any Notes in global form, a beneficial owner thereof. "Second Noteholder" means, with respect to any Secured Note, the Holder of such Secured Note.
"Implied Rating" means, in the case of a rating on a Collateral Asset or Reference Obligation, a rating that is determined in accordance with the terms set forth for assets not rated by a particular Rating Agency by reference to any publicly available, fully documented rating by another Rating Agency that, by its terms, addresses the full scope of the payee's status as an obligor.

"Income Notes Documents" means the resolutions of the Board of Directors of the Issuer authorizing the execution and delivery of the Indenture, the Memorandum and Articles of Association and the Fiscal Agency Agreement.

"Interest Proceeds" means, in respect of any Payment Date, all investment income received on the Collateral Securities and the Eligible Investments on deposit in the Collateral Account and the Fixed Amounts received from the Credit Protection Buyer under the Credit Default Swap in the related Due Period, which Interest Proceeds shall be deposited to the Interest Collection Account (and will not be included in the Collateral Account Amount).

"Interest Shortfall" means with respect to any Reference Obligation Payment Date and any Reference Obligation, either (a) the underpayment of an Expected Interest Amount or (b) the payment of an Actual Interest Amount that is less than the Expected Interest Amount, as described in the related CDS Transaction.

"Interest Shortfall Amount" means with respect to any Reference Obligation Payment Date, an amount equal to the greater of: (a) zero; and (b) the amount equal to the product of: (i) (AA) the Expected Interest Amount; minus (ii) the Actual Interest Amount; and (iii) the Applicable Percentage.

"Interest Shortfall Cap" means the cap, if any, on Interest Shortfall as set forth in the related CDS Transaction.

"Interest Shortfall Cap Amount" means the amount of any Interest Shortfall Cap as set forth in the related CDS Transaction.

"Interest Shortfall Payment Amount" means in respect of an Interest Shortfall, the relevant Interest Shortfall Amount, provided that, if Interest Shortfall Cap is applicable and the Interest Shortfall Amount exceeds the Interest Shortfall Cap Amount, the Interest Shortfall Payment Amount in respect of such Interest Shortfall shall be the Interest Shortfall Cap Amount.

"Interest Shortfall Reimbursement" means with respect to any Reference Obligation Payment Date, the payment by or on behalf of the Reference Entity of an Actual Interest Amount in respect of the Reference Obligation that is greater than the Expected Interest Amount.

"Interest Shortfall Reimbursement Payment" means with respect to any Reference Obligation Payment Date, the product of: (a) the amount of any Interest Shortfall Reimbursement on such day; and (b) the Applicable Percentage.

"Interest Shortfall Reimbursement Payment Amount" means, (x) if Interest Shortfall Cap is not applicable, the relevant Interest Shortfall Reimbursement Amount, and (y) if Interest Shortfall Cap is applicable, the amount determined pursuant to the related CDS Transaction, provided, in either case, that the aggregate of all Interest Shortfall Reimbursement Payment Amounts (determined for this purpose on the basis that "Interest Shortfall Reimbursement Payment Amounts" is not applicable) at any time shall not exceed the aggregate of Interest Shortfall Payment Amounts paid by the Issuer in respect of Interest Shortfalls occurring prior to the date of payment of any such Additional Fixed Amount.

"Issue" of a Collateral Asset or Reference Obligation means any such Collateral Asset or Reference Obligation issued by the Issuer, having the same terms and conditions (as to, among other things, coupon, maturity, security and subordination) and otherwise being fungible with one another.

A-12

Confidential Treatment Requested by Goldman Sachs
"Liquidity Proceeds" means, with respect to any Optional Redemption, Tax Redemption, Auction or the Final Payment Date, including, without duplication, (i) all proceeds from CDS Transactions, Collateral Securities, Eligible Investments and Delivered Obligations, terminated, assigned or otherwise disposed of in connection with such redemption and payable to the Issuer, including any termination or assignment payments or other amounts payable to the Issuer, (ii) cash on deposit in the Accounts, to the extent available therefor, including any amounts designated by the Credit Protection Buyer as/assets for investment in Eligible Investments and Collateral Securities, in each case as determined by the Credit Protection Buyer, (iii) any termination payments or other amounts payable to the Issuer by the Credit Protection Buyer (net of any termination payments or other amounts payable by the Issuer to the Credit Protection Buyer) and (iv) any payments receivable by the Issuer from any assignee of a CDS Transaction (net of any payments payable by the Issuer to any assignee of a CDS Transaction), in each case as determined by the Liquidation Agent.

"Majority" means (i) with respect to any Class or Classes of Secured Notes, the Holders of more than 50% of the Aggregate Outstanding Amount of such Class or Classes of Secured Notes and (ii) with respect to the Income Notes, the Holders of more than 50% of the outstanding Income Notes, calculated on the basis of the Aggregate Outstanding Amount (or, if the Aggregate Outstanding Amount has been paid in full, based on the original Aggregate Outstanding Amount) of the Income Notes held by each Income Noteholder.

"Market Value" means, with respect to any Collateral Asset or Reference Obligation, (i) the average of three bona fide bids for such Collateral Asset or Reference Obligation obtained by the Liquidation Agent at such time from any three nationally recognized dealers, which dealers are independent of one another and from the Liquidation Agent, or (ii) if the Liquidation Agent is unable to obtain three such bids, the lowest of two bona fide bids for such Collateral Asset or Reference Obligation obtained by the Liquidation Agent at such time from any two nationally recognized dealers acceptable to the Liquidation Agent, which dealers are independent of one another and from the Liquidation Agent, or (iii) if the Liquidation Agent is unable to obtain two such bids, the price on such date provided to the Liquidation Agent by an independent pricing service reasonably selected by the Liquidation Agent, or (iv) in the event the Liquidation Agent cannot in good faith determine the market value of such Collateral Asset or Reference Obligation using commercially reasonable efforts to apply the methods specified in clauses (i) through (iii) above, the lesser of (a) the product of (1) the Principal Balance of such Collateral Asset or Reference Obligation and (2) the Applicable Recovery Rate and (b) the Market Value as determined in good faith by the Liquidation Agent using commercially reasonable efforts to apply its reasonable business judgment. If the method of determining Market Value is based solely on clause (iv) above, such Market Value shall be considered zero after 30 days until such time as the Market Value for such Collateral Asset or Reference Obligation may be determined applying the methods specified in clauses (i) through (iv) above.

"Maximum Principal Amount" means, as of any date of determination, an amount equal to the Collateral Account Amount.

"Minimum Bid Amount" means an amount equal to the sum of (a) the Secured Note Redemption Price with respect to the Auction Payment Date, (b) unpaid amounts due under the CDS Transactions upon termination or payment of the CDS Transactions, (c) accrued and unpaid Liquidation Agent Fees and (d) 10% of all unpaid expenses of the Issuer, less amounts on deposit in the Accounts which are available to indemnify the Notes.

"Maturity Asset Amount" means, with respect to any Payment Date, the Aggregate Reference Obligation Notional Amount on the first day of the relevant Due Period.

"Moody’s Rating" means the rating determined in accordance with the methodology described in the Indenture.

"Moody’s Recovery Rate" means, with respect to a Collateral Asset or Reference Obligation, an amount equal to the percentage for such Collateral Asset or Reference Obligation set forth in the recovery rate assumptions for Moody’s as attached as Part I of Schedule C to the Indenture, provided, however, that (A) Defaulted Obligations which constitute less than 5.5% of the Aggregate Outstanding Portfolio Amount and have been defaulted for more than one year will be deemed to have a Moody’s Recovery Rate of 0%, (B) Defaulted Obligations which constitute 5.5% or more of the Aggregate Outstanding Portfolio Amount and have been defaulted for more than two years shall be deemed to have a Moody’s Recovery Rate of 0%.
Moody’s Recovery Rate of 0% and (C) Defaulted Obligations which have been defaulted for more than 3 years shall be deemed to have a Moody’s Recovery Rate of 0%.

"Net Outstanding Portfolio Collateral Balance" means, on any Determination Date, an amount equal to (i) the Aggregate Reference Obligation Notional Amount on such Determination Date plus the Principal Balance of all Delivered Obligations, minus (ii) the aggregate Principal Balance on such date of determination of all Delivered Obligations that are and all CSI Transactions that reference Reference Obligations that are: (A) Defaulted Obligations, (B) Deferred Interest PDI Bonds, (C) Double B Rated Assets, (D) Single B Rated Assets and (E) Triple C Rated Asset, plus (iii) the Aggregate Calculation Amount of Defaulted Obligations and Deferred Interest PDI Bonds, the Double B Calculation Amount, the Single B Calculation Amount and the Triple C Calculation Amount plus (iv) the Amortization Schedule Amount as of such date of determination. For purposes of calculating the Net Outstanding Portfolio Collateral Balance, if a Reference Obligation or a Delivered Obligation could be classified in more than one of the categories set forth in clause (A) through (E) above, such Reference Obligation or Delivered Obligation will not be counted multiple times but will be treated in the applicable category that results in the largest discount thereof.

"Non-Call Period" means the period commencing on and including the Closing Date and ending on but excluding the Payment Date as July 2010.

"Note Interest Rates" means, collectively, the Class E Note Interest Rate, the Class A-1a Note Interest Rate, the Class A-1b Note Interest Rate, the Class A-2 Note Interest Rate, the Class B Note Interest Rate, the Class C Note Interest Rate and the Class D Note Interest Rate.

"Noteholder Communication Notice" means a notice from an Original Noteholder to the Trustee or the Fiscal Agent, as applicable, of the contents of which are to be delivered by the Trustee or the Fiscal Agent, as applicable to all other Holders of Notes in accordance with the Indenture or the Fiscal Agency Agreement, as applicable.

"Noteholder" means, with respect to any Note, the person in whose name such Note is registered, or, for purposes of voting, the granting of consents and other similar determinations under the Indenture, with respect to any Notes in global form, a beneficial owner thereof.

"Originating Noteholder" means with respect to (i) any Collateral Securities Subscription Request Notice, the Holder(s) of a Note submitting such Collateral Securities Subscription Request Notice and (ii) any Noteholder Communication Notice, the Holder(s) of a Note submitting such Noteholder Communication Notice.

"Outstanding" or "outstanding" means with respect to each Class of Secured Notes, as of any date of determination, all of such Class of Secured Notes therefore authenticated and delivered under the Indenture and registered in the Note Register as outstanding except:

(a) Notes theretofore canceled by the Note Registrar or delivered to the Note Registrar for cancellation;

(b) Notes or portions thereof for whose payment or redemption funds in the necessary amount have been theretofore irrevocably deposited with the Trustee or any Paying Agent in trust for the Holders of such Notes, provided that all such Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefore satisfactory to the Trustee has been made;

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any such Notes are held by a Holder in due course;

(d) Notes alleged to have been mutilated, destroyed, lost or stolen for which replacement Notes have been issued as provided in the Indenture;
Footnote Exhibits - Page 5807

(a) in connection with any waiver, (i) all Notes (if any) held by the Trustee and its affiliates if the relevant waiver relates to a Default or an Event of Default arising primarily from any act or omission of the Trustee and, (ii) all Notes (if any) held by the Liquidation Agent and its affiliates if the relevant waiver relates to a Default or an Event of Default arising primarily from any act or omission of the Liquidation Agent;

(b) in connection with the termination of the Trustee or the Liquidation Agent, as applicable, (i) all Notes (if any) held by the Trustee and its affiliates if the termination relates to a Default or an Event of Default arising primarily from any act or omission of the Trustee and (ii) all Notes (if any) held by the Liquidation Agent and its affiliates if the relevant termination relates to a Default or an Event of Default arising primarily from any act or omission of the Liquidation Agent;

(ii) with respect to the Income Notes, as of any date of determination, all of the Income Notes issued pursuant to the Income Notes Documents and included in the Income Notes Register as Outstanding except in connection with the termination of the Trustee or the Liquidation Agent, as applicable:

(a) all Income Notes (if any) held by the Trustee and its affiliates if the termination relates to a Default or an Event of Default arising primarily from any act or omission of the Trustee, and

(b) all Income Notes (if any) held by the Liquidation Agent and its affiliates if the relevant termination relates to a Default or an Event of Default arising primarily from any act or omission of the Liquidation Agent.

provided that in determining whether the holder of the respective Income Notes Outright Outstanding Amount or the Secured Notes or Income Notes is an Event of Default or an Event of Default relates to a Default or an Event of Default arising primarily from any act or omission of the Trustee or the Liquidation Agent and

"Outstanding Principal Amount" has the meaning set forth in the related CDS Transaction.

"Overcollateralization Ratios" means the Class A/B Overcollateralization Ratio, the Class C Overcollateralization Ratio and the Class D Overcollateralization Ratio.

"Overcollateralization Tests" means the Class A/B Overcollateralization Test, the Class C Overcollateralization Test and the Class D Overcollateralization Test.

"Payment Requirements" has the meaning set forth in the Credit Default Swap.

"PIK Bond" means a Reference Obligation or Delivered Obligation so which the deemed interest does not constitute an event of default pursuant to the terms of the related underlying instruments (while any other senior debt obligation is outstanding if so provided by the related indenture or other underlying instrument).

"Principal Balance" means, with respect to any Reference Obligation, Collateral Security, Delivered Obligation or Eligible Investment, as of any date of determination, the Reference Obligation Notional Amount of such Reference Obligation and the outstanding principal amount of each Collateral Security, Delivered Obligation or Eligible Investment, subject to the following exceptions: (i) the Principal Balance of each Defaulted Obligation shall be deemed to be zero, except (A) for purposes of the calculation of the Coverage Tests, in which case, the Principal Balance of Defaulted Obligations shall equal their respective outstanding principal amount or Reference

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912709
Obligation National Amount, as applicable (unless otherwise indicated in such text), (B) for purposes of determining whether an Event of Default described in clause (A) of the definition thereof has occurred, Defaulted Obligations shall be included at their Applicable Recovery Rate, (C) for purposes of calculating any trustee fees and the Liquidation Agent Fee, the Principal Balance of each Defaulted Obligation shall equal the Calculation Amount for such Defaulted Obligations and (D) as otherwise expressly indicated, (ii) the Principal Balance of any cash shall be the amount of such cash, (iii) the Principal Balance of any Delivered Obligations, any Collateral Securities and any Eligible Investments in which the Tranche does not have a perfected security interest shall be deemed to be zero; and (iv) the Principal Balance of any Reference Obligation, Collateral Security or Delivered Obligation that is an equity security shall be deemed to be zero.

"Principal Proceeds" means, with respect to any Due Period, the sum (without duplication) of: (i) all payments of interest and principal on, or liquidation proceeds of, the Delivered Obligations and Eligible Investments on deposit in the Delivered Obligations Account received in cash by the Issuer during such Due Period, (ii) any termination payments received from the Credit Protection Buyer during such Due Period and (iii) any Additional Fund Amounts (excluding Principal Shortfall Reimbursement Payment Amounts) received from the Credit Protection Buyer during such Due Period; and (iv) any Amortization Proceeds on deposit in the Payment Account on the related Payment Date, provided, however, that Principal Proceeds shall not include any accrued interest or any funds from the Issuer's Note Payment Account and all funds deposited in or credited thereto, transaction fees payable to the Issuer and its share capital on account of its ordinary shares held in its account in the Cayman Islands.

"Principal Shortfall Amount" means, in respect of a Failure to Pay Principal, an amount equal to the greater of: (i) zero, and (ii) the amount equal to the product of: (A) the Expected Principal Amount minus the Actual Principal Amount; (B) the Applicable Percentage; and (C) the Reference Price. For purposes hereof, if the Principal Shortfall Amount would be greater than the Reference Obligation National Amount immediately prior to the occurrence of such Failure to Pay Principal, then the Principal Shortfall Amount shall be deemed to be equal to the Reference Obligation National Amount at such time.

"Principal Shortfall Reimbursement" means, with respect to any day, the payment by or on behalf of the Reference Entity of an amount in respect of the Reference Obligation in or toward the satisfaction of any default or failure to pay principal arising from one or more prior occurrences of a Failure to Pay Principal.

"Principal Shortfall Reimbursement Payment" means, with respect to any day, the product of (i) the amount of any Principal Shortfall Reimbursement on such day, (ii) the Applicable Percentage and (iii) the Reference Price.

"Principal Shortfall Reimbursement Payment Amount" means, as of any date of determination, the sum of the Principal Shortfall Reimbursement Amounts in respect of all Principal Shortfall Reimbursements (if any) made during the Reference Obligation Calculation Period relating to such date, provided that the aggregate of all Principal Shortfall Reimbursement Payment Amounts at any time shall not exceed the aggregate of all Floating Amounts paid by the Issuer in respect of occurrences of Failure to Pay Principal prior to such date.

"Proceeds" means, with respect to any Due Period, without duplication, (i) all Amortization Proceeds with respect to the related Payment Date, (ii) all Interest Proceeds with respect to the related Payment Date and (iii) any amounts to be released or withdrawn on the related Payment Date from the Expense Reserve Account for deposit to the Payment Account.

"Quarterly Payment Date" means the 13th day of every January, April, July and October or if any such date is not a Business Day, the immediately following Business Day, commencing on July 13, 2007.

"Rating Agency Condition" means, with respect to any action taken or to be taken under the Transaction Documents, a condition that is satisfied when each Rating Agency has confirmed in writing to the Issuer and the Trustee that such action will not result in the immediate withdrawal, reduction or other adverse action with respect to any then-current rating of any Class of Notes.

"Record Date" means, (i) with respect to any Payment Date and any Notes issued in book-entry form, the close of business on the Business Day prior to such Payment Date and (ii) with respect to any Payment Date and any

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912710
Footnote Exhibits - Page 5809

None issued in definitive form, the tenth day prior to such Payment Date (or, if such day is not a Business Day, the next succeeding Business Day).

"Redemption Date" means any Optional Redemption Date, the Redemption Date or Auction Payment Date.

"Reference Entity" means the issuer of a Reference Obligation.

"Reference Obligation" means a Residential Mortgage-Backed Security referenced under the Credit Default Swap.

"Reference Obligor" means the obligor on a Reference Obligation.

"Reference Obligation Calculation Period" means, with respect to each Reference Obligation Payment Date, a period corresponding to the interest accrual period relating to each Reference Obligation Payment Date pursuant to its underlying instruments. For the avoidance of doubt, the first Reference Obligation Calculation Period will begin on the Reference Obligation Payment Date falling on or immediately prior to the Closing Date.

"Reference Obligation Coupon" means the periodic interest rate applied in relation to each Reference Obligation Calculation Period on the related Reference Obligation Payment Date, as determined in accordance with the terms of the underlying instruments as at the Closing Date, without regard to any subsequent amendment.

"Reference Obligation Notional Amount" means, with respect to each CDS Transaction, the notional amount specified therein as reduced or increased pursuant to the terms of such CDS Transaction.

"Reference Obligation Payment Date" means (i) each scheduled distribution date for a Reference Obligation occurring on or after the Closing Date and on or prior to the scheduled termination date of the related CDS Transaction, determined in accordance with the underlying instruments and (ii) any day after the effective maturity date on which a payment is made in respect of such Reference Obligation.

"Reference Obligation Principal Amortization Amount" means, with respect to any Reference Obligation Payment Date, the amount equal to the product of (i) the amount of any Reference Obligation Principal Payment on such date and (ii) the Applicable Percentage.

"Reference Obligation Principal Payment" means, with respect to any Reference Obligation Payment Date, the occurrence of a payment of an amount to the holders of the Reference Obligation in respect of principal (scheduled or unscheduled) in respect of the Reference Obligation other than a payment in respect of principal representing capitalized interest, excluding, for the avoidance of doubt, any Writtendown Reimbursement or Interest Shortfall Reimbursement.

"Reference Price" means the reference price (expressed as a percentage) specified in the related CDS Transaction.

"Registered" means, with respect to any debt obligation or debt security, a debt obligation or debt security that is issued after July 18, 1984, and that is in registered form within the meaning of Section 881(c)(2)(B)(i) of the Code and the Treasury regulations promulgated thereunder.

"REIT Debt Security" means a security issued by publicly held real estate investment trusts (as defined in Section 856 of the Code or any successor provision).

"Relevant Amount" means with respect to any Reference Obligation, if a servicer report that describes a Reference Obligation Principal Payment, Writtendown or Writtendown Reimbursement (other than a Writtendown Reimbursement within paragraph (ii) of "Writtendown Reimbursement"), in each case that has the effect of decreasing or increasing the interest-accruing principal balance of such Reference Obligation as of a date prior to a Delivery Date but such servicer report is delivered to holders of such Reference Obligation or to the calculation agent under

A-17

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-000912711
the related CDS Transaction on or after the related Delivery Date, an amount equal to the product of (i) the sum of any Reference Obligation Principal Payment (expressed as a positive amount), Withdrawn (expressed as a positive amount), or Withdrawal (expressed as a negative amount), as applicable; (ii) the Reference Rate; (iii) the Applicable Percentage immediately prior to the Delivery Date; and (iv) the Exercise Percentage (as defined in the related CDS Transaction).

"Residential Mortgage-Backed Securities", "RMBS Securities" or "RMBS" means securities that represent interests in pools of residential mortgage loans issued by 1- to 4-family residential mortgage loans and shall include, without limitation, RMBS Prime Mortgage Securities, RMBS Midprime Mortgage Securities and RMBS Subprime Mortgage Securities.

"RMBS Midprime Mortgage Securities" means Residential Mortgage-Backed Securities (other than RMBS Subprime Mortgage Securities and RMBS Prime Mortgage Securities) that enable the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Residential Mortgage-Backed Securities) on the cash flow from prime residential mortgage loans secured (on a first priority basis, subject to permitted liens, easements and other encumbrances) by 1- to 4-family residential real estate, the proceeds of which are used to purchase real estate and purchase or construct dwellings therein (or to refinance indebtedness previously so used). At issuance, the loans in the portfolio underlying each such RMBS Midprime Mortgage Security will have a weighted average FICO Score greater than 625, but less than 700.

"RMBS Prime Mortgage Securities" means Residential Mortgage-Backed Securities (other than RMBS Subprime Mortgage Securities and RMBS Midprime Mortgage Securities) that enable the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Residential Mortgage-Backed Securities) on the cash flow from prime residential mortgage loans secured (on a first priority basis, subject to permitted liens, easements and other encumbrances) by 1- to 4-family residential real estate, the proceeds of which are used to purchase real estate and purchase or construct dwellings therein (or to refinance indebtedness previously so used). At issuance, the loans in the portfolio underlying each such RMBS Prime Mortgage Security will have a weighted average FICO Score of at least 700.

"RMBS Subprime Mortgage Securities" means Residential Mortgage-Backed Securities (other than RMBS Prime Mortgage Securities and RMBS Midprime Mortgage Securities) that enable the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Residential Mortgage-Backed Securities) on the cash flow from prime residential mortgage loans secured (on a first priority basis, subject to permitted liens, easements and other encumbrances) by 1- to 4-family residential real estate, the proceeds of which are used to purchase real estate and purchase or construct dwellings therein (or to refinance indebtedness previously so used). At issuance, the loans in the portfolio underlying each such RMBS Subprime Mortgage Security will have a weighted average FICO Score of 625 or below.

"SAP Rating" means the rating determined in accordance with the methodology described in the Indenture.

"SAP Recovery Rate" means, with respect to a Collateral Asset or Reference Obligation, on any Determination Date, an amount equal to the percentage for such Collateral Asset or Reference Obligation set forth in the SAP Recovery Rate Matrix attached as a schedule to the Indenture (determined in accordance with procedures prescribed by S&P for such Credit Default Swap Reference Obligation or Delivered Obligation on the date of its purchase by the Issuer or, in the case of a Delivered Obligation, the SAP Rating immediately prior to default).

"Sale Proceeds" means all amounts representing Proceeds (including accrued interest) from the sale, assignment, termination or other disposition of any CDS Transaction, Collateral Securities, Delivered Obligations or Eligible Investment received during such Due Period, net of any reasonable amounts expended by the Liquidating Agent or the Trustee in connection with such sale or other disposition.

"Second Note Redemption Price" means the Class A-1 Note Redemption Price, the Class A-1b Note Redemption Price, the Class A-2 Note Redemption Price, the Class A-2 Note Redemption Price, the Class B Note Redemption Price, the Class C Note Redemption Price and the Class D Note Redemption Price, as applicable.
"Servicer" means, with respect to any Reference Obligation or Collateral Asset, the entity that, absent any default, event of default or similar condition (however described), is primarily responsible for monitoring and otherwise administering the cash flows from which payments to investors in such Reference Obligation or Collateral Asset are made.

"Single B Calculation Amount" means the sum of the products of
(a) the Principal Balance of each Single B Rated Asset and
(b) 70%.

"Single B Rated Asset" means any Collateral Asset or Reference Obligation, that is not a Triple C Rated Asset, with an Actual Rating from S&P less than "BB" or with an Actual Rating from Moody's less than "Ba2".

"Statistical Loss Amount" means, as of any Determination Date, the sum of, for each Reference Obligation and Collateral Asset, the product of
(i) the Principal Balance of each Reference Obligation or Collateral Asset and
(ii) the Moody's "Idealized" Cumulative Expected Loss Rate as set forth in the indenture for such Reference Obligation and Collateral Asset. For purposes of the calculation of the Statistical Loss Amount on any Determination Date with respect to Single B Rated Assets, Defeased Interest PSK Bonds, Double B Rated Assets, Triple C Rated Assets, Defeased Obligations and the principal amount of any Reference Obligations and Collateral Assets expected to be paid in full after the July 12, 2042 Payment Date, the principal amount thereof expected to be paid after the Payment Date related to such Determination Date shall be excluded.

"Step-Down Bond" means a security which by the terms of the related underlying instrument provides for a decrease, in the case of a fixed rate security, in the par amount interest rate on such security or, in the case of a floating rate security, in the spread over the applicable index or benchmark rate, solely as a function of the passage of time, provided that a Step-Down Bond shall not include any such security providing for payment of a constant rate of interest at all times after the date of calculation.

"Super Majority" means with respect to any Class of Notes, the Holders of more than 66-2/3% of the Aggregate Outstanding Amount of such Class of Notes.

"Tax Event" means (i) the adoption of, or a change in, any tax statute (including the Code), treaty, regulation (whether temporary or final), rule, ruling, practice, procedure or judicial decision or interpretation which results or will result in withholding tax payments in excess of 3% of the aggregate premium and interest due and payable on the Credit Default Swap and Pledged Assets during the Due Period in which such event occurs as a result of the imposition of U.S. or other withholding tax with respect to which the obligors are not required to make gross-up payments that cover the full amount of such withholding taxes on an after-tax basis or (ii) the adoption of, or change in, any tax statute (including the Code), treaty, regulation (whether temporary or final), rule, ruling, practice, procedure or judicial decision or interpretation which results or will result in taxation of the Issuer's net income in an amount equal to 5% or more of the net income of the Issuer during any Due Period in which such event occurs.

"Total Redemption Amount" means the sum of (a) all amounts due as of the Redemption Date pursuant to clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) of the Priority of Payments and (b) the Secured Note Redemption Price.

"Treasury" means the United States Department of the Treasury.

"Triple C Calculation Amount" means the sum of the products of
(a) the Principal Balance of each Triple C Rated Asset and
(b) 50%.

"Triple C Rated Asset" means any Collateral Asset or Reference Obligation (other than a Defeased Obligation) with an Actual Rating from S&P of less than "BB" or with an Actual Rating from Moody's of less than "Ba2".

"Writedown Amount" means, with respect to any day, the product of
(i) the amount of any Writedown on such day
(ii) the Applicable Percentage and
(iii) the Reference Price.
"Writedown Reimbursement" means, with respect to any day, the occurrence of: (i) a payment by or on behalf of the Reference Entity of an amount in respect of the Reference Obligation in reduction of any prior Writedown, or (ii) an increase by or on behalf of the Reference Entity of the Outstanding Principal Amount of the Reference Obligation to reflect the reversal of any prior Writedown, or (b) a decrease in the principal deficiency balance or realized loss amounts (however described in the underlying instruments) attributable to the Reference Obligation, or (c) if "Implied Writedown" (as defined in the related CDS Transaction) is applicable and the underlying instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in (i) above to occur in respect of the Reference Obligation, an "Implied Writedown Reimbursement Amount" (as defined in the related CDS Transaction) being determined in respect of the Reference Obligation by the calculation agent thereunder.

"Writedown Reimbursement Amount" means, with respect to any day, an amount equal to the product of: (i) the sum of all Writedown Reimbursements on that day; (ii) the Applicable Percentage, and (iii) the Reference Price.

"Writedown Reimbursement Payment Amount" means, with respect to any date of determination, the sum of the Writedown Reimbursement Amounts in respect of all Writedown Reimbursements (if any) made during the Reference Obligation Calculation Period relating to such date, provided that the aggregate of all Writedown Reimbursement Payment Amounts at any time shall not exceed the aggregate of all Floating Amounts paid by the Issuer in respect of Writedowns occurring prior to such date.
FORM OF INCOME NOTES PURCHASE AND TRANSFER LETTER

LaSalle Bank National Association
181 W. Madison Street, 32nd Floor
Chicago, Illinois 60602
Attention: CDO Trust Services Group - Anderson Mezzanine Funding 2007-1, Ltd.
Re: Anderson Mezzanine Funding 2007-1, Ltd.
Income Notes

Dear Sirs:

Reference is hereby made to the Income Notes due 2042 (the "Income Notes") issued by Anderson Mezzanine Funding 2007-1, Ltd (the "Issuer"), described in the Issuer's Offering Circular dated March 16, 2007 ("Offering Circular") to be purchased and held by us in definitive certificated form. We (the "Purchaser") are purchasing U.S. $[ ] principal amount of Income Notes (the "Purchaser's Income Notes"). Terms defined or referred to in the Offering Circular and not otherwise defined or referred to herein shall have the meanings set forth in the Offering Circular.

The Purchaser hereby represents, warrants and covenants for the benefit of the Issuer that:

(a) (i) The Purchaser is (check one) (x ) a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) (a "Qualified Institutional Buyer"); (v) an "accredited investor" (as defined in Rule 501(a) under the Securities Act) (an "Accredited Investor") who has a net worth of not less than U.S.$10 million that is purchasing the Income Notes for its own account;
(ii) The Purchaser is a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act") (a "Qualified Purchaser"); (iii) The Purchaser, in the case of clauses (i) above, is not acquiring the Income Notes with a view to any resale or distribution thereof, other than in accordance with the restrictions set forth below; (iv) The Purchaser is aware that the sale of the Purchaser's Income Notes to the Purchaser is being made in reliance on an exemption from registration under the Securities Act; (v) With respect to any transferee, the Purchaser further understands that, in conjunction with any transfer of the Purchaser's ownership of any Purchaser's Income Notes purchased hereunder, it will not transfer or cause the transfer of such Purchaser's Income Notes without obtaining from the transferee a certificate substantially in the form of this Income Note Purchase and Transfer Letter; (v) The Purchaser will provide notice of the transfer restrictions described to any subsequent transferees.

(b) The Purchaser is purchasing the Purchaser's Income Notes in an amount equal to or exceeding the minimum permitted number thereof for its own account (or, if the Purchaser is a Qualified Institutional Buyer, for the account of another Qualified Institutional Buyer with respect to which such Purchaser exercises sole investment discretion) for investment purposes only and not for resale or distribution thereof, but nevertheless subject to the understanding that the disposition of its property shall at all times be and remain within its control (subject to the restrictions set forth in the Offering Circular, the certificate in respect of the Purchaser's Income Notes and the Fiscal Agency Agreement).

(c) The Purchaser understands that the Purchaser's Income Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, are being offered only in a transaction not involving any public offering, and may be restricted, require or predicter or otherwise transferred only in accordance with the requirements hereof and in the Fiscal Agency Agreement. The Purchaser understands and agrees that any purported transfer of Income Notes to a purchaser that does not comply with the requirements hereof will not be permitted or registered by the Income Notes Transfer Agent. The Purchaser further understands that the Issuer has the right to compel any beneficial owner of Income Notes that is a U.S. Person and is not...
Footnote Exhibits - Page 5820

(a) either a Qualified Institutional Buyer or an Accredited Investor with a net worth of U.S.$10 million or more; and (b) a Qualified Purchaser, to sell its interest in such Income Notes, or the Issuer may sell such Income Notes on behalf of such owner.

(b) If the Purchaser or any account for which the Purchaser is purchasing the Purchaser's Income Notes is a U.S. Person (as defined in Regulation S under the Securities Act) the following representations shall be true and correct: (i) The Purchaser (or, if the Purchaser is acquiring the Purchaser's Income Notes for any account, each such account) is acquiring the Purchaser's Income Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The Purchaser and each such account: (a) was not formed for the specific purpose of investing in the Income Notes (except when such beneficial owner of the Purchaser and each such account is a Qualified Purchaser); (b) to the extent the Purchaser is a private investment company formed before April 30, 1996, the Purchaser has received the necessary consent from its beneficial owners; (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker-dealer that own and invests on a discretionary basis less than U.S.$23,000,000 in securities of unaffiliated issuers. Further, the Purchaser agrees: (i) that neither it nor such account shall hold the Purchaser's Income Notes for the benefit of any other person and such Purchaser of such account shall be the sole beneficial owner thereof for all purposes; and (ii) that neither it nor such account shall sell participation interests in the Purchaser's Income Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Purchaser's Income Notes. The Purchaser understands and agrees that any purported transfer of the Purchaser's Income Notes to a Purchaser that does not comply with the requirements of this clause (b) will not be permitted or registered by the Income Notes Transfer Agent.

(c) In connection with the purchase of the Purchaser's Income Notes: (i) none of the Issuer, the Initial Purchaser, the Liquidation Agent, the Administrator or the Fiscal Agent, is acting as a fiduciary or financial or investment advice for the Purchaser, (ii) the Purchaser is not relying for purposes of making any investment decision or otherwise upon any advice, counsel or representation (whether written or oral) of the Issuer, the Initial Purchaser, the Liquidation Agent, the Administrator or the Fiscal Agent other than in the Offering Circular and any representations expressly set forth in a written agreement with such party; (iii) none of the Issuer, the Initial Purchaser, the Liquidation Agent, the Administrator or the Fiscal Agent has given to the Purchaser (directly or indirectly) through any other person (any statement, guarantee, representation whatsoever as to the reported or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Purchaser's Income Notes, (iv) the Purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors as the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture and the Fiscal Agency Agreement) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Initial Purchaser, the Liquidation Agent, the Administrator or the Fiscal Agent; (v) the Purchaser has evaluated the risk, prices or amounts and other terms and conditions of the purchase and sale of the Purchaser's Income Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (vii) the Purchaser is a sophisticated investor.

(d) The certificates in respect of the Income Notes (other than the Regulation S Income Notes) will bear a legend to the following effect unless the Issuer determines otherwise in compliance with the Fiscal Agency Agreement and applicable law:

THE INCOME NOTES ARE THE SUBJECT OF, AND ARE ISSUED SUBJECT TO THE CONDITIONS OF, THE FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT MARCH 20, 1997 (THE "FISCAL AGENCY AGREEMENT") BY AND BETWEEN THE ISSUER OF THE INCOME NOTES AND LASALLE BANK NATIONAL ASSOCIATION, AS FISCAL AGENT. COPIES OF THE FISCAL AGENCY AGREEMENT MAY BE OBTAINED FROM THE FISCAL AGENT.

A-1-2

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-0000912722
THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREBY, BY PURCHASING THE INCOME NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH INCOME NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (2) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (3) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 902 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN THE CASE OF CLAUSE (1) AND (2) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $10,000 OR IN THE CASE OF CLAUSE (3) IN A PRINCIPAL AMOUNT OF NOT LESS THAN 100,000. FURTHERMORE, THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (A)(1) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (A) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 4(a)(7) OF THE INVESTMENT COMPANY ACT, (B) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER, (C) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (D) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$2,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (2) IS NOT A PENSION PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN EACH CASE IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE INCOME NOTES TRANSFER AGENT, EACH TRANSFER OF THE INCOME NOTES WILL BE RECORDED IN THE RECORDS OF THE TRANSFER AGENT. THE HOBBER HEREBY AGREES TO BE BOUND BY AND TO COMPLY WITH THE RESTRICTIONS SET FORTH HEREIN.

IF THE TRANSFER OF INCOME NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OR (A)(2) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE INCOME NOTES WILL (1) BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE INCOME NOTES TRANSFER AGENT AN INCOME NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (A) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, OR (Y) AN ACCREDITED INVESTOR (AS

Confidential Treatment Requested by Goldman Sachs  GS MBS-E-000912723
DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT WHO HAS A NET WORTH OF
NOT LESS THAN U.S.$10 MILLION AND (2) A QUALIFIED PURCHASER FOR THE
PURPOSES OF THE INVESTMENT COMPANY ACT AND (3) RECEIVE ONE OR MORE
DEFINITIVE INCOME NOTES.

IF THE TRANSFER OF INCOME NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(3)
OF THE SECOND PRECEDING PARAGRAPH, THE TRANSFEREE OF THE INCOME
NOTES WILL BE REQUIRED TO DELIVER TO THE ISSUER AND THE INCOME NOTES
TRANSFER AGENT AN INCOME NOTES PURCHASE AND TRANSFER LETTER,
SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT
STATEMENT THAT AMONG OTHER THINGS, THE TRANSFEREE IS NOT A U.S. PERSON
(AS DEFINED IN REGULATION S).

WITH RESPECT TO THE INCOME NOTES PURCHASED OR TRANSFERRED ON OR
AFTER THE CLOSING DATE, THE PURCHASER OR TRANSFEREE MUST DISCLOSE IN
WRITING IN ADVANCE TO THE FISCAL AGENT (I) WHETHER OR NOT IT IS (A) AN
"EMPLOYEE BENEFIT PLAN" AS DEFINED IN AND SUBJECT TO TITLE I OF THE
UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS
AMENDED ("ERISA"), (B) A "PLAN" DISCLOSED IN AND SUBJECT TO SECTION 4975
OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE
"CODE"), OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS WITHIN THE
MEANING OF ERISA" BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR OTHER
PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES
DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS
"BENEFIT PLAN INVESTORS"). (II) IF THE PURCHASER OR TRANSFEREE IS A
BENEFIT PLAN INVESTOR (OR ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO
ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY
SIMILAR TO THE PROVISIONS OF SECTION 409 OF ERISA OR SECTION 4975 OF THE
CODE ("SIMILAR LAW"), THAT THE PURCHASE AND HOLDING OR TRANSFER AND
HOLDING OF INCOME NOTES DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A
PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF
THE CODE (OR IN THE CASE OF ANOTHER BENEFIT PLAN SUBJECT TO
SIMILAR LAW, ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT
AVAILABLE, AND (III) WHETHER OR NOT IT IS A PERSON (OTHER THAN A BENEFIT
PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH
RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES
INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO
THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 26 C.F.R.
SECTION 2650.4-100(b)(1)) OF ANY SUCH PERSON. IF A PURCHASER IS AN
INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT OR OTHER
ENTITY HELD TO BE HOLDING PLAN ASSETS, IT WILL BE PERMITTED TO
INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF THE
ASSETS IN SUCH GENERAL ACCOUNT OR ENTITY THAT MAY BE INCOME NOTES
ASSETS, IN WHICH CASE THE PURCHASER OR TRANSFEREE WILL BE REQUIRED TO
MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY TO THE EVENT THAT
SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE
PURCHASER AGREES THAT, BEFORE ANY INTEREST IN AN INCOME NOTE MAY BE
OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL
BE REQUIRED TO PROVIDE THE INCOME NOTES TRANSFER AGENT WITH AN
INCOME NOTES PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE
FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT) STATING, AMONG OTHER
THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR, THE TRUSTEE
OR INCOME NOTES TRANSFER AGENT WILL NOT PERMIT OR REGISTER ANY
PURCHASE OR TRANSFER OF INCOME NOTES TO THE EXTENT THAT THE
PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS Owing
25% OR MORE OF THE TOTAL VALUE OF THE OUTSTANDING INCOME NOTES

Confidential Treatment Requested by Goldman Sachs GS MBS-E-000912724
Footnote Exhibits - Page 5823

(OTHER THAN THE INCOME NOTES OWNED BY THE LIQUIDATION AGENT, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER DETERMINED IN ACCORDANCE WITH THE PLAN ASSET REGULATION (AS DEFINED HEREIN) AND IN THE FISCAL AGENCY AGREEMENT.

PAYMENTS TO THE HOLDERS OF THE INCOME NOTES ARE SUBORDINATE TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER OR CO-ISSUER, AS APPLICABLE, AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

The certificates in respect of the Regulation S Income Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with the Fiscal Agency Agreement and applicable law:

THE INCOME NOTES ARE THE SUBJECT OF, AND ARE ISSUED SUBJECT TO THE CONDITIONS OF, THE FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT MARCH 20, 2007 (THE "FISCAL AGENCY AGREEMENT") BY AND BETWEEN THE ISSUER OF THE INCOME NOTES AND LASALLE BANK NATIONAL ASSOCIATION, AS FISCAL AGENT. COPIES OF THE FISCAL AGENCY AGREEMENT MAY BE OBTAINED FROM THE FISCAL AGENT.

THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREBY, BY PURCHASING THE INCOME NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH INCOME NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A) TO A PERSON WHOSE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (B) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501A UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION OR (C) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (D) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 902 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN THE CASE OF CLAUSE (A) AND (B) A PRINCIPAL AMOUNT OF NOT LESS THAN $10,000 OR IN THE CASE OF CLAUSE (C) OR (D) A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000.

EXCEPT FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 19, 1996, (X) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$100,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Y) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION

A.1-5

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912725
AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE
STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION
OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE INCOME
NOTES TRANSFER AGENT. EACH TRANSFEROR OF THE INCOME NOTES WILL
PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN
THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE. IN ADDITION TO THE
FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF
AN INCOME NOTE THAT IS A U.S. PERSON AND IS NOT (A) A QUALIFIED
PURCHASER AND (B) EITHER A QUALIFIED INSTITUTIONAL PURCHASER OR AN
ACREDITED INVESTOR WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10
MILLION TO SELL SUCH INCOME NOTES, OR MAY SELL SUCH INCOME NOTES ON
BEHALF OF SUCH OWNER.

IF THE TRANSFER OF INCOME NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1)
OR (A)(2) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE INCOME
NOTES WILL (1) BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND
THE FISCAL AGENT AN INCOME NOTES PURCHASE AND TRANSFER LETTER,
SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT,
STATE THAT AMONG OTHER THINGS, THE TRANSFEREE IS (X) A QUALIFIED
INSTITUTIONAL PURCHASER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT
PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED
INSTITUTIONAL PURCHASER, OR (Y) AN ACREDITED INVESTOR AS DEFINED IN RULE
501(a) UNDER THE SECURITIES ACT, WHO HAS A NET WORTH OF NOT LESS THAN
U.S.$10 MILLION AND (Z) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE
INVESTMENT COMPANY ACT AND (D) RECEIVE ONE OR MORE DEFINITIVE INCOME
NOTES.

IF THE TRANSFER OF INCOME NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(2)
OF THE SECOND PRECEDING PARAGRAPH, THE TRANSFEREE OF THE INCOME
NOTES WILL BE REQUIRED TO DELIVER TO THE ISSUER AND THE FISCAL AGENT
AN INCOME NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE
FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATE THAT AMONG
OTHER THINGS, THE TRANSFEREE IS NOT A U.S. PERSON (AS DEFINED IN
REGULATION S).

WITH RESPECT TO THE INCOME NOTES PURCHASED OR TRANSFERRED AFTER THE
CLOSING DATE, THE PURCHASER OR TRANSFEREE IS DEEMED TO REPRESENT AND
WARRANT, THAT (1) IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN
AND SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYER RETIREMENT
INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) A "PLAN" AS
DEFINED IN AND SUBJECT TO SECTION 4975 OF THE UNITED STATES NORTHERN
REVENUE CODE OF 1986, AS AMENDED ("THE CODE"), OR (C) AN ENTITY WHOSE
ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF
AN EMPLOYER BENEFIT PLAN'S OR OTHER PLAN'S INVESTMENT IN THE ENTITY
ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C)
BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"; AND (2) IT IS NOT A
PERSON WHO HAS DISCRETE AUTHORITY OR CONTROL WITH RESPECT TO THE
ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE
FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER,
OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(5)(1))
OF ANY SUCH PERSON. IF THE PURCHASER OR TRANSFEREE IS AN EMPLOYER
BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT
IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 4975 OF THE CODE,
SUCH PURCHASER OR TRANSFEREE ALSO IS DEEMED TO REPRESENT AND WARRANT THAT ITS PURCHASE AND
HOOLDING OF THE INCOME NOTES DO NOT AND WILL NOT RESULT IN A VIOLATION
OF SUCH LAW.
Footnote Exhibits - Page 5825

IN A VIOLATION OF ANY SIMILAR LAW FOR WHICH AN EXEMPTION IS NOT AVAILABLE. ANY PURPORTED TRANSFER OF AN INCOME NOTE THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL BE NULL AND VOID AS INTENDED.

PAYMENTS TO THE HOLDERS OF THE INCOME NOTES ARE SUBORDINATE TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER OR CO-ISSUER, AS APPLICABLE, AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THIS INDENTURE.

(9) With respect to Income Notes transferred or purchased on or after the Closing Date, the Purchaser understands and agrees that the representations and agreements made in this paragraph (9) will be deemed made on each day from the date hereof through and including the date on which the Purchaser disposes of the Income Notes.

(x) The Purchaser is _, is not _, (check one) (i) an "employee benefit plan" as defined in and subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) a plan described in and subject to Sections 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or (iii) an entity whose underlying assets include assets of any such employee benefit plan or other plan (for purposes of ERISA or Section 4975 of the Code) by reason of a plan's investment in the entity, (check one) (i) through (ii) being referred to herein as "Benefit Plan Investors"; and (y) if the Purchaser is a Benefit Plan Investor (or another employee benefit plan subject to any federal, state, local, or foreign law substantially similar to Sections 4975 of the Code ("Similar Law")), the Purchaser's purchase and holding of an Income Note does not and will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of an employee benefit plan subject to Similar Law, any Similar Law) for which an exemption is not available.

The Purchaser is _, is not _, (check one) (the Issuer or any other person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Issuer, a person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Issuer, or any "affiliate" (within the meaning of 29 C.F.R. Section 2510.3-101(f)(3)) of any such person (any such person described in this paragraph being referred to as a "Controlling Person")).

If the Purchaser is an insurance company acting on behalf of its general account or any other entity holding plan assets of Benefit Plan Investors, (check if true), then (a) not more than _,% (complete by entering a percentage), (b) the maximum permitted percentage of the assets of such general account or entity consists of the plan assets of Benefit Plan Investors for purposes of the "plan assets" regulations under ERISA, and (c) the maximum permitted percentage of the maximum percentage of the assets of such general account or entity that the Purchaser is required to disclose under the Exchange Act or Section 4975 of the Code is not exceeded. The Purchaser represents and warrants that it will not use the proceeds of an Income Note as permitted by the Issuer (including, in the discretion of the Issuer, a disposition back to the Issuer or an affiliate thereof (or other person designated by the Issuer) for the then value of the Income Notes as reasonably determined by the Issuer, in any case in which the Purchaser cannot otherwise make a disposition it has been instructed by the Issuer to make).

(9) The Purchaser understands and acknowledges that the Income Notes Transfer Agent will not register any purchase or transfer of Income Notes on a proposed initial purchase or to a proposed subsequent transferee of Income Notes that has, in either case, represented that it is a Benefit Plan Investor or a Controlling Person if, after giving effect to such proposed transfer, persons that have represented that they are Benefit Plan Investors would own 25% or more of the total value of the outstanding Income Notes. For purposes of this determination, Income Notes held by the Liquidation Agent, the Trustee, any of their respective affiliates and persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding. The Purchaser understands and agrees that any purported purchase or transfer of the Purchaser's Income Notes to a Purchaser that does not comply with the requirements of this clause (a) will not be permitted or registered by the Income Notes Transfer Agent.

Confidential Treatment Requested by Goldman Sachs
(a) The Purchaser is not purchasing the Purchaser’s Income Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The Purchaser understands that an investment in the Purchaser’s Income Notes involves certain risks, including the risk of loss of its entire investment in the Purchaser’s Income Notes under certain circumstances. The Purchaser has had access to such financial and other information concerning the Issuer and the Purchaser’s Income Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Purchaser’s Income Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(b) The Purchaser is not purchasing the Purchaser’s Income Notes in order to reduce any United States federal income tax liability or pursuant to a tax avoidance plan.

(c) The Purchaser agrees to treat the Purchaser’s Income Notes as equity for United States federal, state and local income tax purposes.

(d) The Purchaser acknowledges that due to money laundering requirements operating in the Cayman Islands, the Issuer and the Income Notes Transfer Agent may require further identification of the Purchaser before the purchase application can proceed. The Issuer and the Income Notes Transfer Agent, as applicable, shall be held harmless and indemnified by the Purchaser against any loss arising from the failure to process the application if such information as has been required from the Purchaser has not been provided by the Purchaser.

(e) The Purchaser agrees to complete any other instrument of transfer as required under Cayman Islands law.

(f) The Purchaser is not a member of the public in the Cayman Islands.

We acknowledge that you and other persons will rely upon our confirmation, acknowledgments, representations, warranties, covenants and agreements set forth herein, and we hereby irrevocably authorize you and such other persons to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.
THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Very truly yours,

[Signature]

(Very truly yours,)

[Signature]

Receipt acknowledged as of date set forth above.

(Signature and Addresses)

Confidential Treatment Requested by Goldman Sachs
REGISTERED OFFICES OF THE ISSUERS

ANDERSON MEZZANINE FUNDING 2007-1, LTD.
P.O. Box 109107, Queensgate House
South Church Street
George Town
Grand Cayman, Cayman Islands

ANDERSON MEZZANINE FUNDING 2007-3,
CORP.
890 Library Avenue, Suite 204
Newark, Delaware 19711

TRUSTEE, PRINCIPAL NOTE PAYING AGENT,
NOTE PAYING AGENT, NOTE TRANSFER
AGENT, NOTE REGISTRAR, FISCAL AGENT
AND INCOME NOTES TRANSFER AGENT
LaSalle Bank National Association
181 W. Madison Street, 32nd Floor
Chicago, Illinois 60602

LIQUIDATION AGENT
Goldman, Sachs & Co.
85 Broad Street
New York, NY 10004

LEGAL ADVISORS

To the Issuers, the Initial Purchaser and the
Liquidation Agent
As to matters of United States Law
Sidley Austin LLP
797 Seventeenth Avenue
New York, New York 10019

To the Trustee, Principal Note Paying
Agent, Note Paying Agent, Note Transfer
Agent, Note Registrar, Fiscal Agent and Income
Notes Transfer Agent
As to matters of United States Law
Kennedy Covington Lobdell & Hickman, L.L.P.
214 W. Tryon Street, 47th Floor
Charlotte, North Carolina 28202

To the Issuers
As to matters of Cayman Islands Law
Maples and Calder
P.O. Box 309172, Ugland House
South Church Street,
George Town
Grand Cayman, Cayman Islands

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912730
No dealer, subdealer or other person has been authorized to give any information or to represent anything not contained in this Offering Circular. You must not rely on any unauthorized information or representations. This Offering Circular is an offer to sell only the Notes offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Offering Circular is current only as of its date.

**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Offering Circular</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Information</td>
<td>15</td>
</tr>
<tr>
<td>Transaction Overview</td>
<td>20</td>
</tr>
<tr>
<td>Summary</td>
<td>21</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>34</td>
</tr>
<tr>
<td>Description of the Notes</td>
<td>53</td>
</tr>
<tr>
<td>Use of Proceeds</td>
<td>80</td>
</tr>
<tr>
<td>Ratings of the Notes</td>
<td>80</td>
</tr>
<tr>
<td>The Credit Default Swap</td>
<td>81</td>
</tr>
<tr>
<td>The Credit Support Buyer</td>
<td>88</td>
</tr>
<tr>
<td>The Collateral Securities</td>
<td>89</td>
</tr>
<tr>
<td>The Indenture Agreement</td>
<td>91</td>
</tr>
<tr>
<td>Accounts</td>
<td>95</td>
</tr>
<tr>
<td>Reports</td>
<td>97</td>
</tr>
<tr>
<td>Weighted Average Life and Yield Considerations</td>
<td>97</td>
</tr>
<tr>
<td>The Issuer</td>
<td>101</td>
</tr>
<tr>
<td>Income Tax Considerations</td>
<td>104</td>
</tr>
<tr>
<td>ERISA Considerations</td>
<td>110</td>
</tr>
<tr>
<td>Certain Legal Considerations</td>
<td>113</td>
</tr>
<tr>
<td>Legal Matters</td>
<td>113</td>
</tr>
<tr>
<td>Underwriting</td>
<td>114</td>
</tr>
<tr>
<td>Index of Default Terms</td>
<td>117</td>
</tr>
<tr>
<td>Appendix A — Current Default Terms</td>
<td>A-1</td>
</tr>
<tr>
<td>Appendix B — Reference Portfolio</td>
<td>B-1</td>
</tr>
<tr>
<td>Annex A-1 — Fees of Issuer Notes Purchase and Transfer Letter</td>
<td>A-3-1</td>
</tr>
</tbody>
</table>

**OFFERING CIRCULAR**

Goldman, Sachs & Co.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-000912731
The structured products trading group made $4 billion during this fiscal year.

The structured products trading group and the larger mortgage business, of which it is a part, both were profitable this year. However, the WSJ story greatly overstates the profitability of the SPT group.

A tiny group of traders was responsible for the large profit.

The situation in the mortgage market this year was very severe. Senior management and many different parts of the firm, including legal, controllers and risk management, spent significant amounts of time with the various mortgage desks to help navigate the problems.

The traders in the structured products trading group made $5-$15 billion dollars.

We do not comment on individuals' compensation.

Goldman Sachs rolls the dice with its own money.

The overwhelming majority of Goldman Sachs’ trading profits come from transactions where the firm acts as a principal for clients.

Goldman Sachs made money on the backs of people who are being thrown out of their houses.

The profits discussed in the Wall Street Journal story were made in the secondary trading market. Goldman Sachs did not originate the subprime loans that have become problematic. That said, we continue to believe a robust subprime market that boosts homeownership among credit-challenged consumers is a desirable social outcome.

Goldman Sachs sold CDOs to investors and simultaneously had a short trading bet that CDOs would decline in value.

Goldman Sachs stopped ramping up new CDOs at the end of last year in response to market conditions. Regardless of that, the CDO trading desk can be net long or net short at any point in time, including hedge positions. That process is unrelated to the activity of underwriting securities, which are distributed to highly-qualified institutional investors on market terms and with full disclosure so that customers may make their own investment decisions based on their appetite and risk tolerance.

Goldman Sachs traders deal with clients and also trade their own book.

Clients trade with Goldman Sachs because of our reliable execution and unique trading ideas. In the fixed-income world, the firm takes risk on every trade done for clients. Some traders are allowed to express their own market views using the firm’s capital.
I met with some of these Morgan Stanley guys this week. As we merge our secondary structured products trading (CMBS, sub-prime MBS, ABS, correlation, index) business with Will’s structured credit trading business, expanding the activities of a prop group covered by the street will make sense and we plan to grow that group.

Morgan Stanley is going overboard by taking most of their experienced and known traders out of the franchise. We should keep our franchise leaders in the seats and continue to allow them to take prop views - the customer flows they see make them more effective.

Morgan Super Traders Worry Hedge Funds
New York Post - 13 Apr 2006 - By Roddy Boyd
Copyright (c) 2005, N.Y.P. Holdings, Inc. All rights reserved.

April 13, 2006 – Morgan Stanley has created an all-star team of bond traders to wager its own cash in the market, a move that is raising eyebrows of its crucial hedge-fund clients.

Bond executives at Morgan told The Post the change will put clients’ needs first, rather than focus on longer-term trades for the investment bank’s own account, which is “kind of opposed to the idea of customer business,” according to one trader.

All told, about 30 of Morgan’s asset-backed bond traders, analysts and technology specialists are moving to a different floor at the firm’s headquarters.

A senior Morgan executive told The Post that feedback from mutual and pension funds “has been excellent. They are always concerned about us being distracted or putting ourselves first.”

However, he acknowledged that hedge funds “might have some concerns.”

The chief investment officer at a $5 billion Midtown hedge fund called the arrangement “a hedge fund with a lower cost of capital, pure and simple.”

Morgan, he said, “will compete with us for product, and their best traders are off the desk.”

The move comes as Wall Street’s biggest firms have evolved into something close to hedge funds. They are using massive capital bases and access to cheap capital to place huge bets for their own accounts.

Proprietary trading might be the last great gold rush on Wall Street. Morgan’s primary competitor, Goldman Sachs, earned $16.3 billion in net revenue trading for its own account last year.

The hedge-fund executive said fighting the trend toward greater prop trading was useless.
Footnote Exhibits - Page 5832

"What's the difference between having a separate [prop] group versus a Goldman that takes the same kinds of risks on the various trading desks?" the executive asked.
McHugh, John
Friday, November 16, 2007 5:57 PM
Spierls, Daniel L.
FICC 2008 business plan presentation to Firm

Lahey’s team is preparing Monday for this presentation on Monday and Tom asked for more color in several areas...here’s what I’ve collected today, let me know if you want me to change anything...thanks.

**General market expectations / assumptions built in**

We are expecting mortgage delinquencies to continue to increase due to ARM resets and declining HPA. losses will begin to accumulate with increasing severity as foreclosures work through the system causing rating agency downgrades of RMBS and CDOs to continue through 2008. Whole loan trading and securitization market will continue to be dislocated in subprime and Alt A sectors, with Prime AAA's functioning at reduced volumes. CDO originations will be negligible. Cash RMBS and CDO prices continue to decline until distressed investing comes in and creates a bottom. Single name RMBS and ABX prices continue to decline from current levels until the cash market finds a bottom and fundamentals improve.

**Bank and broker dealers will continue to report writedowns from declining RMBS and CDO prices/rights. Competitors will be scaling back mortgage risk taking and operations, giving us a competitive advantage.**

**Assumptions/initiatives in ABS area:**

- Capturing greater cash and synthetic market flows from weakened competitors
- Facilitating SIV/CCO liquidations and portfolio changes
- Good prop opportunity capitalizing on selling pressure, selective distressed asset purchases
- Expect prop flow split to be roughly 50/50

**European expansion**

Establishing a European origination business focused initially on the UK marketplace. Expected revenues from the opportunity are $25mm in 2006, direct headcount will expand from 1 person at the beginning of 2007 to 3 people in 2008 with expected revenues of $25mm (up from $5mm in 2007). Initiatives include expanding index synthetics trading, and single tranche synthetic CDO trading

**Correlation desk - ARACUS related exit price**

---

**Reflected by the Permanent Subcommittee on Investigations**

Wall Street & The Financial Crisis Report Footnote #2802

GS MBS-E-0137977964
Footnote Exhibits - Page 5834

Approximately $150mm exit price valuation adjustment expected to be released in 1st half of 2009 from unwinding Super Senior trades, in addition to bid offer realized on trading.

Prop infected
Prop infected components of SPG Trading will be roughly equal

Majority of CRE Loan Trading, Structured Finance JV will be how revenue

Residential mortgage business will be more prop oriented due to delineations in the securitization market:
  • Focus will be on establishing SSG JV (i.e., Litton purchase)
  • Distressed asset (loan pools, portfolios) purchases

Confidential Treatment Requested by Goldman Sachs
From: Bhavvar, Avenish R
Sent: Sunday, June 10, 2007 7:08 PM
To: Swenson, Michael; Salem, Deeb; Bhavvar, Avenish R; Chin, Edwin
Subject: Re: CDS on CDOs

Oh

----- Original Message ----- 
From: Swenson, Michael
To: Salem, Deeb; Bhavvar, Avenish R; Chin, Edwin
Sent: Sun Jun 10 15:36:00 2007
Subject: Re: CDS on CDOs

Really don't want to offer any

----- Original Message ----- 
From: Salem, Deeb
To: Bhavvar, Avenish R; Chin, Edwin; Swenson, Michael
Sent: Sun Jun 10 15:21:03 2007
Subject: Re: CDS on CDOs

Not sure if we have any to offer any more. Let's discuss monday

---------------------------------------
Sent from my BlackBerry Wireless Device

----- Original Message ----- 
From: Bhavvar, Avenish R
To: Salem, Deeb; Chin, Edwin
Sent: Sun Jun 10 12:07:08 2007
Subject: FW: CDS on CDOs

Can I get levels for CDX

----- Original Message ----- 
From: C. Klinghofer <cklinghofer@glenviewcapital.com>
To: Bhavvar, Avenish R
Sent: Sun Jun 10 12:03:58 2007
Subject: Re: CDS on CDOs

<<Glenview Disclaimer.Lnk>>
K thanks

----- Original Message ----- 
From: Bhavvar, Avenish R <avenish.bhavvar@gs.com>
To: C. Klinghofer
Sent: Sun Jun 10 12:02:51 2007
Subject: Re: CDS on CDOs

I can get mom, range 6-900 roughly

----- Original Message ----- 
From: C. Klinghofer <cklinghofer@glenviewcapital.com>
To: Bhavvar, Avenish R
Sent: Sat Jun 09 15:10:08 2007
Subject: Re: CDS on CDOs

hey ev, what levels are these st?
From: Bhavanar, Avinash N [mailto:avinash.bhavanar@gs.com]
Sent: Thursday, June 07, 2007 3:10 PM
To: C. Riegoffter
Subject: [DBS on CDOx]

<table>
<thead>
<tr>
<th>Deal Name</th>
<th>Tranche Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPCE 2006-1A</td>
<td>A8L</td>
</tr>
<tr>
<td>EMC 2006-1A</td>
<td>C</td>
</tr>
<tr>
<td>CMBS 1A</td>
<td>B</td>
</tr>
<tr>
<td>CREL 1A</td>
<td>C</td>
</tr>
<tr>
<td>CMBS 1A</td>
<td>C</td>
</tr>
<tr>
<td>CMBS 2006-1A</td>
<td>5</td>
</tr>
<tr>
<td>CMBS 2006-2A</td>
<td>C</td>
</tr>
<tr>
<td>DUKE 2006-1A</td>
<td>A3</td>
</tr>
<tr>
<td>ETRIO 2006-1A</td>
<td>A3</td>
</tr>
<tr>
<td>GBLM 2005-1A</td>
<td>C</td>
</tr>
<tr>
<td>GBLM 2006-4A</td>
<td>C</td>
</tr>
<tr>
<td>ROCCO 2006-1A</td>
<td>C</td>
</tr>
<tr>
<td>ROCCO 2006-1A</td>
<td>C</td>
</tr>
<tr>
<td>ROCCO 2006-1A</td>
<td>C</td>
</tr>
<tr>
<td>ROCCO 2006-2A</td>
<td>C</td>
</tr>
<tr>
<td>LEBS 2006-1A</td>
<td>C</td>
</tr>
<tr>
<td>VDEH 2005-1A</td>
<td>C</td>
</tr>
<tr>
<td>LEBS 2006-1A</td>
<td>C</td>
</tr>
<tr>
<td>LEBS 2006-1A</td>
<td>B</td>
</tr>
<tr>
<td>LEBS 2006-2A</td>
<td>B</td>
</tr>
<tr>
<td>ALPHA 2007-1A</td>
<td>3</td>
</tr>
<tr>
<td>ACCO 10A</td>
<td>B</td>
</tr>
<tr>
<td>CMBS 1A</td>
<td>A9</td>
</tr>
<tr>
<td>CREL 1A</td>
<td>B</td>
</tr>
<tr>
<td>DUKE 2006-1A</td>
<td>A2</td>
</tr>
<tr>
<td>SEBM 2005-2A</td>
<td>B</td>
</tr>
<tr>
<td>TOCM 2005-1A</td>
<td>III</td>
</tr>
</tbody>
</table>

Avinash R. Bhavanar
Managing Director
Capital Structure Sales
Research Division

Goldman, Sachs & Co.
1 New York Plaza 50th Floor | New York, NY 10004
Tel: 212 357-0400 | Call: 917-317-1426
e-mail: avinash.bhavanar@gs.com

© Copyright 2007 The Goldman Sachs Group, Inc. All rights reserved. See
http://www.gs.com/disclaimer/email-salesandtrading.html for important risk disclosure,
confidentiality and other terms and conditions relating to this e-mail and your
rights to review information contained in it. This message may contain confidential
or privileged information. If you are not the intended recipient, please advise us
immediately and delete this message. See http://www.gs.com/disclaimer/email/
http://www.gs.com/disclaimer/email/ for further information on confidentiality and the
risks of non-secure electronic communication. If you cannot access these links, please
notify us by reply message and we will send the contents to you.

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-012566090
From: Sparks, Daniel L
Sent: Thursday, August 10, 2006 7:34 PM
To: Oetrem, Peter L
Subject: Re: Leh CDO Fund

Not going to happen

----- Original Message ----- 
From: Oetrem, Peter L
To: Rosenblum, David J; Sparks, Daniel L
Sent: Thu Aug 10 19:07:143 2006
Subject: Re: Leh CDO Fund

Let's do our own fund. SP CDO desk. Big time. We commit to hold proportion of equity outright. This could be big. Of course, after OCS closes! I need OCS orders. We are slipping here and I need both your help!

----- Original Message ----- 
From: Rosenblum, David J.
To: fico-cleo; fico-ygyn
Cc: Oetrem, Peter L; Sparks, Daniel L
Subject: FW: Leh CDO Fund

Fyi
D

Sent from my BlackBerry Wireless Handheld (www.Blackberry.net)

----- Original Message ----- 
From: Hornback, Joseph
To: Miesenbecker, Scott; Rosenblum, David J.
Cc: Ho, Shu Lor; Aswlekar, Steven
Subject: Leh CDO Fund

David and Scott,

Steve and I wanted to post you on the current status and plans at the Leh CDO fund. In the way of background, the Leh CDO fund consists of equity of predominately [redacted] equity (they have bought equity in a couple of [redacted] deals). Their performance to date has been well received by their investors. They are currently raising their 2nd fund and already have indications north of $200m without any OC or marketing materials (including [redacted] from the [redacted] fund, but given their success so far they are contemplating a larger fund with a longer drawdown period. The strategy of the 2nd fund will have a slightly different twist. Consistent with the 1st fund, they will be investing heavily in [redacted] but they want to also execute macro hedging and long short structured credit strategies along with exploiting MV structures with the appropriate managers.

Below is a list of managers that Leh has multiple commitments with:

GS WBS-E-01099847f

Permanent Subcommittee on Investigations
Wall Street & The Financial Crisis
Report Footnote #2816

Footnote Exhibits - Page 5837
Love it we will give dan a heart attack

----- Original Message ----- 
From: Birnbaum, Josh 
To: Salem, Deeb; Swenson, Michael; Chin, Edwin 
Sent: Sat Mar 03 19:12:37 2007 
Subject: Re: Another idea... 

I like it. 

----- Original Message ----- 
From: Salem, Deeb 
To: Birnbaum, Josh; Swenson, Michael; Chin, Edwin 
Sent: Sat Mar 03 17:03:17 2007 
Subject: Another idea... 

Am I crazy to be thinking we might want to grow the hasbinger trade and do our own abs desk odd, there'll be so much juice in it. It would blow out. We could sell supersenior and maybe some equity. Then the remaining mezz would be a cover of a couple hundred million of our cdo short. Haven't crunched the numbers, but I'm guessing we'd effectively cover well north of 1000 plus own some call rights. Or we also keep equity and own it for free.

to select the portfolio, we look at the underlying mbs deals in our cdo shorts. And replicate that as best as possible.

just an idea... i've also compiled a list of 15 or so potential accounts that we could help monetize an shorts if we don't want hasbings full size. Could probably clip 1-2pts plus own another 5-6pts upside in 30

Sent from my BlackBerry Wireless Device
That's fine. My number 1 concern is that its traded by the right people bc the opportunity is huge. Its a product that needs to be traded as a prop product. I would be so upset if the teachers pet has any control over it. That would be a big mistake. U need to be in charge and we need prop minded guys involved

Sent from my BlackBerry Wireless Device

----- Original Message ----- 
From: Swenson, Michael 
To: Salem, Deb 
Sent: Thu Jun 07 07:17:06 2007 
Subject: Re: FyI 

Talk to me now things are developing - dan wants you to be the epicenter of the subprime universe which is not a bad position to be in

----- Original Message ----- 
From: Salem, Deb 
To: Swenson, Michael 
Subject: Re: FyI 

he is making the decision to not be part of the process...he is impossible to please. I wouldn't give it another thought. Maybe just shoot him an email everytime u guys go to sit down and then if he gets the email and its important to him he can join you.

btw. I want to talk to you about odos soon too

Sent from my BlackBerry Wireless Device

----- Original Message ----- 
From: Swenson, Michael 
To: Salem, Deb 
Subject: FyI 

Josh is mildly upset he is not part of the discussions with odos but everytime there is a meeting he is off the desk or has not arrived at the office yet - I do not know what to do
ADDITIONAL DOCUMENTS RELATED TO DEUTSCHE BANK
1771

Footnote Exhibits - Page 5842

GREGG@Bloomberg.net
Tel:603/223-2345
GREGG@Bloomberg.net
Tel:603/223-2345

---Begin Message---

From: ILLINCBOLOGIA@DEUTSCHE BANK SECURITIES
To: ILLINCBOLOGIA@DEUTSCHE BANK SECURITIES
Subject: *** PRAECE 01.18.1GEMSTONE VII ***

How much of each placed and retained by them don't care (for now) the investors just want to see what portion of deal was sold.

---

Sent from Bloomberg Mobile MD

--- Original Message ---

From: ILLINC BOLOA, DEUTSCHE BANK SECURS <ILO שא@Bloomberg.net>
At: 2/21/2007 19:40

NEE LONG. THEY ARE TAKING THEM BACK. DO YOU WANT A LIST OF THE TRANCHEs?
THEY ARE TAKING ALL CLASS A-1. WAITING FOR Citi TO GET THEM. WHAT IS FINANCING O THAT SHE WOULD LIKE TO KNOW

---End Message---

residential Treatment Requested by DBSI

DBSI_PSE_EMAILA02012170
thanks for the update...going to get a lot bumpier very soon....let's get the finikels out the door...

----- Original Message ----- 
From: Michael Lamon <michael.lamon@db.com>
At: 2/25/13 12:51:22

Good news! I am out w a fever back tomorrow

After reflection I think the biggest issue for dealers are the ccds. For the giant mepentor mobs cdo deals the situation isn't great, but the aa/aa/aa probably clear at a level, and the dealer can play games w the SS -- sell junior pieces, keep 60-top, mark not observable, dealer takes down box and a, sticks equity to hedge fund like mepentor at equity floor, maybe laxes 3-4 after fees.

The bbb/a cdo backed by mid/late 2006 vintage are the same your problem I think, not sure how any deals will clear. And for hi grade abs cdo's. M did 24bn of hi grade last year, 26-29 cdo mostly as same a. Say conservatively they have 10bn in ramp up to 3 bll of a/aa cdo. If the mtl starts to price their hi grade like cdo2 in addition to their cdo2 ramping of bbb/a [blin70bn] ramped they will have a near worst case. Same problem at citi--I think they are relatively ok on mrrz abs risk but not on cdo2.

Calyx pulled out of ralph cheese meat deal, won't do 50, we were next in line, Ralph now coming to us. Calyx are rumored to have 10bn of risk on their lines. At the same time cdp and maul still writing tickets (maul did a mepentor type deal last week) structural change to get them in was no text in principal waterfall not interest waterfall.

sent from my KINeX@Berry wireless

Mr. Michael Lamon
Managing Director
Deutsche Bank Securities Inc.
60 Wall Street, 52nd Floor
New York, NY, USA
Telephone: +1-212-350-9708
Mobile: +1-917-921-3842
E-Mail: michael.lamon@db.com

----- Original Message ----- 
From: "ORGE LIFFEWM, DEUTSCHE BANK SECURITI" [gwo@clipp@bloomberg.net]
Sent: 02/20/2007 01:10 PM
To: undisclosed-recipients:
Subject: Fw: how is the cdo machine doing these days? can u still plac
---

sent from Bloomberg Mobile MSG

---- Original Message ----

From: DAVID ROMAN, MOORES CAPITAL MANAGEMENT

At: 2/16/2007 11:20

how is the odo machine doing these days? can u still place odo paper? are they still keeping in this environment?

Reply:

OTTO SLOWER BUT NOT DEAD YET... 2-5 RAMPING A DAY INSTEAD OF 10-15... HEARING OF MANY INVESTORS IN ASIA ESPECIALLY SHUFFLING DOWN POST ROLE BECAUSE THE WINDOW IS NOT COMPLETELY SHUT YET (THEY MAY BE DEALS THAT WERE LARGELY RAMPED THEN JUST FINISHING...)

Reply:

i hear rumors that MD, BS, GS, C have asked CCDs less than 5% ramped to basically stop coming. have you heard anything along these lines? what are the implications for MD if this is true?

-------------------------------------------------------------------------------------

This has been prepared solely for informational purposes. It is not an offer, recommendation or solicitation to buy or sell, nor is it an official confirmation of terms. It is based on information generally available to the public from sources believed to be reliable. No representation is made that it is accurate or complete or that any returns indicated will be achieved. Changes in assumptions may have a material impact on any returns detailed. Past performance is not indicative of future returns. Price and availability are subject to change without notice. Additional information is available upon request.

---

This e-mail may contain confidential and/or privileged information. If you are not the intended recipient (or have received this e-mail in error) please notify the sender immediately and destroy this e-mail. Any unauthorized copying, disclosure or distribution of the material in this e-mail is strictly forbidden.

====End Message====
From: [Bloomberg.net](mailto:Bloomberg.net)

Subject: Shorten up the legal final on GEMSTONE VII and you'll get a
nice order on the Aa2 and A2 class. Lunch on you....

Reply:
working on it-
Reply:
CDD market is taking flight now....

Confidential - Produced to M&Y Pursuant to Protective Order
From: GREG LIPPMANN (DEUTSCHE BANK SECURITIES) <GREGL@BBOTG>
Sent: Thursday, June 29, 2006 5:21 PM
To: MICHELLE BORRE (OPPENHEIMERFUND, IN) <MBORRE1@BBOTG>

From: GREGL@BBOTG (GREG LIPPMANN (DEUTSCHE BANK SECURITIES) )
To: MBORRE1@BBOTG (MICHELLE BORRE (OPPENHEIMERFUND, IN) )

A CLIENT THAT DID THE SAME TRADE AS U WITH US SENT ME A T-SHIRT
"I'M SHORT YOUR HOUSE...I JUST BOUGHT 20 OF EM TO GIVE TO CLIENT
S THAT DO THE TRADE WITH US. DO U WANT 1 OR 2?"
Footnote Exhibits - Page 5847

1776

Thanks - would you have a report that shows certain stresses on the
market and what bullish assumptions on CDS, loss severity would do? I'm
looking at materials that would have been used to pitch bullish/longs on
MBS - and not the bears.

Also, is this report, referred to in the Halcyon report, handy?

"SINGLED OUT HOUSING MARKET DECLINE REVEALS DEFAULTS ONLY IN LOWEST-PAYED
U.S. MBS TRANSACTIONS" Standard and Poor's, September 2005

Thanks, Marc

-----Original Message-----
From: Ilana R Segpa [mailto:ilana_r.boggs@db.com]
Sent: Wednesday, October 11, 2006 1:26 PM
To: Marc Majner
Cc: greg.lippmann@db.com
Subject: Fw: MBS CDS

----- Forwarded by Christopher Meaney/NewYork/DBNA/DeuBse on 10/11/2006
01:19 PM -----
Greg Lippmann/NewYork/DBNA/DeuBse
deurexamericas
10/11/2006 12:59 PM
To: "Marc Majner" <MMajner@northrockcapital.com@DEUBAILaget>
Cc: christopher.meany@db.com
Subject: RE: MBS CDS

chris please send abs ecd parts materials to marc soon please....

Greg M. Lippmann
Managing Director
Deutsche Bank Securities Inc.
3rd Floor
60 Wall Street
New York, New York 10005
Phone: (212) 250-7730

Editorial Treatment Requested by DBSI

DBSI_PS_EMAIL0179417
1778

Footnote Exhibits - Page 5849

Michael
To: greg.leppelmeier@eh.com
George@BNPLAC
Subject
11/23/2005
07:49 PM
Margilones Baa2 at n+160 4YRS BREAK AT 10% cum loss.....look like a disaster !!
That implies a base loss of 8% .......... or about 2.5 loss rate a year....
Fico is 660, so hardly prime.....card loss rate for this fico about 10, so say cuz the guys home is on the line be
only defaults at 5%.....
Base case loss around 17 to 20 then..
And BBB should have around 35 to 40 beneath it.....
Means that the BBB attachment should be around where paulie has his AA....
Everything else is CRAP and should be 100s and 1000s back of offer....
Even though paulie says Winter group can sell this stuff I cannot believe anyone thinks the ratings agencies
have the sub levels right.....their loss levels are based on an environment of refs....but you sam ranieri owns
all the writer group seconds deals mezz paper twitwits edas

----------
Sent from my BlackBerry Handheld.

1778
HY Sales... there's a lot of you who have put people into the sub prime "short" trade with Greg Lippman. I think the following is a great way to express this view while saving considerable carry. (you would also be moving an important axe for the CDO desk.)

In Greg Lippman's trade, your customer is getting short the BBB- tranche (the first tranche after equity) of a pool of Subprime Mortgages. The appx carry is 20bps, currently.

Although many believe we're on the verge of payment stress or so called "housing bubble", none are too sure of the timing. I believe the following is a way to pay for this carry while putting on an implied "correlation" trade on the housing market. Or even a Sr/Sub trade

The attached is an offer for $9.5mm equity in a HIGH GRADE Cdo, which is made up of 70% RMBS (only 15% of this 70% is "subprime")

Currently, this piece is offered at a yield of ~17-18%!

You would have to believe that if your equity piece is experiencing stress, then there would be a high degree of "correlation" on all sub prime mortgage/home equity.

The key is deciding what "delta" you would use. Considering there's only 18% on 9.5mm, you could easily get short 10mm BBB- (~20bps) and still have a slight positive carry.

Pls speak to Anthony Pawlowski / Ilina Bogza on the CDO desk, and Greg Lippman on the ABS desk for more details. LP

Attached is the Mount Skylight equity presentation. Price Yield table to follow

Attached:

[File: Mount Skylight equity presentation.pdf]

Confidential Treatment Requested by DBSI
1780

Footnote Exhibits - Page 5651

Rajeev
To: Greg.Lippmann/NewYork/DBNA/Deals@DBAmercia, Richard Mantu@DBREMEA
Date: 10/25/2006 12:50 PM
Subject: Fw: Deutsche at its best

--- Forwarded by Rajeev Murali/DBMO/DMO/UK/Deals to 15/10/2006 17:46 ---

Anshu Jain/DBMO/DMO/UK/Deals@DBREMEA
To: mohan.laxmikumar@db.com, philip.waengler@db.com,
michael.tarzulli@db.com, philip.waengler@db.com,
pablo.saldarriaga@db.com
25/10/2006 16:02
Subject: Fw: Deutsche at its best

fyi

Anshu Jain, Head of Global Markets,
Member of Group Executive Committee,
Deutsche Bank AG
Tel: +44-30-7545-2863
Fax: +44-20-7545-8371
Mobile: +44-7703-673451
E-mail: Anshu.Jain@db.com
--- Forwarded by Anshu Jain/DBMO/DMO/UK/Deals on 25/10/2006 16:02 ---

derek.kaufman@jporgan.com
To: Anshu.Jain/DBMO/DMO/UK/Deals@DBREMEA
25/10/2006 16:01
Subject: Deutsche at its best

Anshu,

Unlike Greg, I am not in the camp that housing Armageddon is around the corner, although I do think that if home prices decline modestly over a year or two (say a 5-10% probability), the sub-prime borrower will have some real difficulties. My main motivation behind this trade is that I think the correlation risk in sub-prime MBS CDS is mis-priced, given how similar the borrowers from one deal to another will be in a time of distress. Compared with the popular macro hedge-fund trade of buying single-name protection on BBB+ ABS at L-250, this structure seems like a slam-dunk. Basically, I think of this protection as a cheap way to opt in my overall business that lets me do other profitable interest rate and credit trades without worrying too much about the tail risk of a housing collapse.

Derek

Anshu Jain
canash.jain@db.co m
10/25/2006 10:29
"derek.kaufman"
To: <derek.kaufman@jporgan.com>
CC
Subject
Re: Deutsche at its best

Residential Treatment Requested by DBSI

DBSI_PSC_DM/2006/17/5964

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01784 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
Derek

Delighted to get your note as you would expect. Smart trade by the way, given we have just acquired a couple of MBBS originators, both prime and sub prime...how concerned should I be?

Anahu Jain
Head of Global Markets
Member of Group Executive Committee
Deutsche Bank AG
Tel: +44-20-7345-2843
Fax: +44-20-7345-9371
Mobile: +44-770-8774841
E-Mail: Anahu.Jain@db.com

derek.jaulman@jpmorgan.com

25/10/2006 14:19

To
Anahu Jain/D/MGI/DMG UK/DeutscheAMEA

cc

Subject
Deutsche at its best

Anahu,

I wanted to let you know that last night we closed on a synthetic CDO transaction (XTYN 2006-6) where I bought $350m of mezzanine protection on a mezzanine portfolio of MBBS and BBB- sub-prime MBBS. Deutsche placed all of this risk through structured notes sold to investors, and was an incredible partner through the process of portfolio selection, structuring, pricing and distribution. My long-standing and trusting relationships with Fred Breitstock and Andy Assenz, coupled with Greg Lipman’s top-notch presence in this market, were the main factors in my choosing Deutsche as a counterparty for this complex tranche. Needless to say, I am quite pleased with what great work these three individuals did during the four months from conception to closing, and hope this transaction could be the start of a series of similar trades in the future.

Official Treatment Requested by DODI

DB05_P19_EMAIL:01781-069
Footnote Exhibits - Page 5863

I hope everything is going well for you, and look forward to catching up when I visit London early next year.

Deek

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of JPMorgan Chase & Co., its subsidiaries and affiliates.

This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you receive this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. Thank you.

---

This e-mail may contain confidential and/or privileged information. If you are not the intended recipient (or have received this e-mail in error) please notify the sender immediately and destroy this e-mail. Any unauthorized copying, disclosure or distribution of the material in this e-mail is strictly forbidden.

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of JPMorgan Chase & Co., its subsidiaries and affiliates.

This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you receive this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. Thank you.
and what's the deal with this jabac one--it's on an owl of a macro guy entering the trade, or ??

Reply:

IT'S A COO OUT PUTING UP A PID HE BOUGHT MAY NOT ACTUALLY SELL!!

End Message

-----End Message-----
1784

Footnote Exhibits - Page 5855

From: John Smith
Sent: Tuesday, February 19, 2007 11:06:11 AM
To: Ken Jones
Subject: RS-3C details

Ken, feel free to call anytime.

From: Ken Jones
Sent: Tuesday, February 19, 2007 9:31 AM
To: John Smith
Subject: Re: RS-3C details

Thank you. Let's get on the phone when you have a moment for a few final questions and, more importantly, to say hello!

From: John Smith
Sent: Tuesday, February 19, 2007 10:21 AM
To: Ken Jones
Cc: John Smith, Bob Thomas
Subject: RS-3C details

Ken,

I'm back in town and went through all of the images yesterday. I feel good about how the book is moving. Here's what we see:

The wildcard is Gemstone VII, the CDO we are currently marketing. Pricing is set for Tuna Fee 20 and I think we will get the deal done at upwards that make the deal a very good investment. If I'm wrong and the deal falls apart, it will be marked down something the $20 - $30k. I doubt this will happen. If pricing were beyond month end, I would consult with Accounting to recommend taking some sort of a reserve on the deal.

Confidential Treatment Requested

GEM7-00007032
I hope this makes things clearer.

- Ken

Hey guys,

I am a bit curious about how we are marking our losses in this select...

Ken

[Redacted - unreadable]

[Redacted - unreadable]

[Redacted - unreadable]

[Redacted - unreadable]

[Redacted - unreadable]

[Redacted - unreadable]

[Redacted - unreadable]

[Redacted - unreadable]

[Redacted - unreadable]

We are still moving ahead with our DOD. 1. To date, investor interest still looks favorable as we are seen as a very good manager, but unclear how many will be spooky at this point.
I think you should be very candid about it...give examples of where the bbb+ trades if you don't have exact color on the bb...we don't want to facilitate a total position dump.

Greg M. Lippmann
Managing Director
Deutsche Bank Securities Inc.
3rd Floor
60 Wall Street
New York, New York 10005
Phone (212) 520-7730
Fax (212) 587-2261
Mobile (973) 401-1914
greg.lippmann@db.com

Fredan
MimeX/NewVest/DBNA/Deals

3/09/2007 04:30

To

Confidential Treatment Requested by DBSI

DBSI_PRI_EMAIL:019331541
let me know what you want to do about this. you know where I stand on some of these but it's
going to be another heads-up with kevin

------ Forwarded by Jordan Milana/Keelback/DM@Jeniks on 01/04/2007 04:00 PM ------

Confidential Treatment Requested by DSSI
Jocen,

gpl can you give us some color on how good the Bb bonds are in the attached HER portfolio for constant 7. It seems there are a few friends but none have been downgraded. According to server, all are reasonably good. He is asking us to do a revolving deal for him with Bb reinvestments. He might want to throw our non-call 93s.

ing all BB bonds are highlighted in yellow, somewhat urgent.
thanks,
Abhayd

[attachment "Genstar VII Portfolio 01.09.07.xls" deleted by Greg Lipman/NewYork/ENAA/Saika]

*********************
Abhayd Eaves
Global CBO Group
Deutsche Bank Securities Inc.
60 Wall Street, 19th Flr.
New York, NY 10285-0599
(212) 254-0356 work
(917) 498-8048 voil
(718) 574-2950 fax

Official Treatment Requested by DEBI

DEBI_PRO_USERS\0193550
Abhayad To: Greg Lippmann/NewYork/DMNA/DelBk
Kames cc: Subject: HELD 2005-L - bad names

06/24/2006 06:30 PM

Jamil's accounts are listing the following as names that are not great:

ABSHE 2005-HER M9
BAYV 2005-C B2
CMHE 2005-C B2

GSAMP names -- we have the following in the HELD pool
GSAMP 2003-HEL M6
GSAMP 2003-HEL B2
GSAMP 2005-HEH B1
GSAMP 2005-HEH B3

But separately,
- I had asked Jordan for generic bad allies and he listed: SALI, HEAT, PPSS, INABS, ACE, AMSI and ARSJ --
the HELD portfolio has 22% of these names.

Abhayad Kames
Global CDO Group
Deutsche Bank Securities Inc.
60 Wall Street, 19th Floor,
New York, NY 10005-2858
(212) 250-0520 work
(917) 519-9594 cell
(732) 578-2890 fax

Footnote Exhibits - Page 5863
AND U R THE MAN!!! OK LETS INCLUDE IT AT A VERY WIDE LEVEL AND GET SOMETHING TOGETHER FOR THESE GUYS...

----- Original Message ----- 
From: ROCKY KURITA, DEUTSCHE BANK SECURI
At: 6/16 10:14:42

we are short that one all the cwl are bad.

----- Original Message ----- 
From: GREG LIPPMANN, DEUTSCHE BANK SECURI
At: 6/16 10:12:26

ok if we r short it b/c is that the really crop one or is that the 05-17 nm
maybe also an 06 cwl...

----- Original Message ----- 
From: ROCKY KURITA, DEUTSCHE BANK SECURI
At: 6/16 9:42:49

we have a couple new century. how about a cwl 05-4 b/v baas3

----- Original Message ----- 
From: GREG LIPPMANN, DEUTSCHE BANK SECURI
At: 6/16 9:24:56

let add one other weakish name i.e. cwl, anls, nch, b/c want to balance it out in spread terms more. also after the analysis they want just 10 2005 = 10
06 not more...sales is charlotte hembre but lets run through me for now...

----- Original Message ----- 
From: ROCKY KURITA, DEUTSCHE BANK SECURI
At: 6/16 8:54:22

----- Original Message ----- 
From: ROCKY KURITA, DEUTSCHE BANK SECURI
At: 6/16 8:54:18

Can we run the numbers? What other stats does the account need? who covers the account?

1 SASC 2005-NC1 M7
2 SASC 2005-NC1 M8
3 SASC 2005-WF1 M8
we need to figure out a better way... the ppi bonds are the worst in the pool... they should stay in regardless of what it does to your model... these are the money. similarly the cw1 is also a week name... ok with removing treas, guarps and fraks if necessary... the other bonds are all ok and there is plenty diversity which is in theory bad for him... are you two think about ways to include these... i think we can tell him to instead remove say 5 of these (i.e. keep the spus and the cw1) and tell him instead to choose 7 of 15 getting us back to 60 names... let me know and i will send to you...

these are not in the smaller pool

074879RED BSABS 2005-HE2 M9
129873XM6 CWL 2005-1 BV
36224256B GSAMP 2005-HE1 B3
702599ERM PPSI 2004-WH2 M9
703569J2A PPSI 2003-WH2 M9
3622427D9 GSAA 2005-2 B3
316597D7J FMC 2005-1 M9
362242645 GSAA 2005-6 B3

Greg H. Lippmann
Managing Director
Deutsche Bank Securities Inc.
3rd Floor
60 Wall Street
New York, New York 10005
Phone (212) 250-7730
Fax (212) 797-2021
Mobile (646) 501-1916

Frederic Jakobsen@deutschebank.com

06/05/2006 09:31 PM

Removed 8 bonds from the 58 name portfolio (7 short WALs, 1 long WAL). There are 22 SPUs to which we've got credit exposure, most of them have got short WAL. Would they take a reduced spread and a discount?

Other solution: get all their Grameen portfolios and pick 2003-2004 names which match our book. If the all the names have short WALs and the WALs are not barbells the spread should be good.

Economics:

203 bps WAL spread assumption:

Additional Document Requested by DBSI

DBSI_PS_EMAIL(0120)1742
Attached below the 50 name portfolio and a list of 15 SIPs out of which he can pick 5:

[attachment “50 Name Portfolio.xls” deleted by Greg Lipman re/EDMA/DouBa]

Plus, the models are in the directory if you want to have a look.

Frederic Jallot
Integrated Credit Trading
Tel.: +44 (0)207 545 10 50
Fax: +44 (0)207 545 55 10

STRICTLY PRIVATE AND CONFIDENTIAL
1797

Footnote Exhibits - Page 5868

To: Sean Whelan

Subject: Xing Street

Greg Lipmann
Managing Director
Deutsche Bank Securities Inc.
3rd Floor
60 Wall Street
New York, New York 10005
Phone (212) 250-7730
Fax (212) 787-2201
Mobile (917) 651-1916

Sent by: Greg Lipmann

Sean Whelan

Sent from my BlackBerry Handheld.

P.S. What does this mean? Will they massively overhang vs fix coupon??

Confidential Treatment Requested by DBSI

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01801 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
Greg: I was not accurate—do not want to do a fully placed deal. They want to short the entire delta. Thanks.

Greg Lippmann
New York \[Email\]

Subject: # King Street

Omg. Which is it? Magnetar is fully placed and talk to lamont. If they want to do our trade but short entire delta can we price that too.

Sent from my BlackBerry handheld.

From: Sean Whelan
Sent: 09/27/2006 10:31 AM
To: Greg Lippmann; Axel Kunde; Plus Sprender
Subject: King Street

Spoke with King Street this morning, rather than do the carry neutral correlation trade, they would like to pursue a bespoke or Magnetar type trade. They want more leverage and are willing to hold the equity in a 375mm type transaction, and short the rest of the capital structure. The 75 names we have can be used, or we can add it wish be thanked. Seen
Warren:
I appreciate you taking a crack at this. Let me know how you do.

Given the market structure as it exists now, who ends up holding the credit risk? Pension funds, foreign treasuries, EMN’s, etc.

Why is CDO Investors -- European and Asian banks and insurers, Insurance Companies like AIG, CIGI, Radian, Wall Street Commercial Paper Conduits, ABS Hedge Funds

Have the buyers really done the credit work? Do they have the risk appropriately priced or are they just participating to deploy massive liquidity and looking at just relative pricing with the rating agencies looking at as pooling out the big problems?

With 5000 loans per deal and 100 deals per CDO, this would seem to be more of a statistical analysis than a detailed one but increases any risk otherwise.

Was the ability to lay off credit risk changed? The investment bank “party line” is that they don’t take or hold deal credit risk, it’s all sold off. Is this accurate or do they have to hold residual risk to do the business and are they typically also extending warehouse lines? Are there other areas to look at for pressure beyond negative marks on securities, warehouse exposure and credit quality of any loans held directly?

Warehouse lines are extending to all originators…every bank on Wall Street own some equity residuals.

Besides residuals and warehouse lines, what areas can we see performance hits should things continue to worsen?

Would seem to be it.

The ABS themselves are held in trading accounts…this could produce a negative mark to market, correct?

Most are re-securitized into CDOs which do not have to mark to market until downturns in ever.

What is CDO behavior now? How generally as active as they have been historically or is there any sort of a buyer’s strike?

Last few days have seen a marked slowdown in CDO activity and there are rumors of dealers loving money on several deals.

Was the ability to lay off credit risk changed recently? Can we tell from the filings really when they halted?

Tough to say, but massive increase in fast backup of delinquent loans (REOs) and probably greater scrutiny/critique of initial loans perhaps leading to worsening relative quality of retained loans. I don’t know how to read filings as no else.

How do you treat and address the residual risk/equity tranches? Must this always be held or can this be securitized and sold in some way?

In the ABS someone owns it either the dealer, originator or a hedge fund,…..

Does either the OC or excess spread in any way insulate the equity tranches or that and immediately vulnerable to any losses.

The residual gets all excess above a/b/c of losses is a hit. If you mean the equity in the above abcs, yes the excess spread protects it.

Does the equity piece change based on the structure? Can its size vary in any deal?

additional treatment requested by DNB

DDBP PST EMAIL:0199184
Yes...all deals are slightly different given quality of the loan, mortgage and bond corporate, desire/ability to sell down cap structure i.e. 5%, 10%, 20...

How do you look at risk control with respect to residual risk? Who determines what deals you participate in and what residuals are held?

I do not see the trading of residual for whole loans speak to Michael commerco. If you mean CDO equity we look for early commitment of equity by manager or investors or we feel the manager has a good story.

In NINL the 5 companies that have previously failed-in irrelevant issue or does its failure meaningfully degrade the performance of the market or create a buyer's strike in some way. What makes NINL different, if anything?

The continued problems for the originators is relevant b/c these loans MUST be refinanced and as capacity leaves the system the marginal buyer will have trouble getting a new loan (also as investors/sponsors etc are more picky about how many of the weaker borrowers will be trapped in current loans) we need 13-25% of the people to default to make 100% so we are not betting on a system meltdown but rather a squeeze on the weakest credits.

Wasn't
Down/San Francisco/BNHA/Dec/10

12/12/2007 01:34

To

Confidential Treatment requested by DBSI

DBSI_531_EMAIL.009518
see below. the analyst is looking at potentially adding to current position in CUS and also
potentially expressing the bet in some of the equity names. had a few questions before he moved
forward tho. do you have time to speak to him? i'm sure know.
Warren:
I appreciate you taking a crack at this. Let me know how you do.

Given the market structure as it exists now, who ends up holding the credit risk? Pension funds, foreign treasuries, CMO’s, etc.
Have the buyers really done the credit work? Do they have the risk appropriately priced or are they just participating to deploy massive liquidity and looking at just relative pricing with the rating agencies looked at as painting out the big problems?
Was the ability to lay off credit risk changed? The investment bank “pasty line” is that they don’t take on real deal credit risk, its all sold off. Is this accurate or do they have to hold residual risk to do the business and are they typically also extending warehouse lines? Are these other areas to look at for pressure beyond negative marks on securities, warehouse exposure and credit quality of any issues held directly?
Besides residuals and warehouse lines, what areas can we see performance hits should things continue to worsen?
The MBS themselves are held in trading accounts—this could produce a negative mark to market, correct?
What is CDO behavior now? Are they generally as active as they have been historically or is there any sort of a buyer’s strike?
Was the ability to lay off credit risk changed recently? Can we tell from the filings really what they held?
How do you treat and address the residual risk/equity tranche? Must this always be held or can this be securitized and sold in some way?
Does either the OC or excess spread in any way insulate the equity tranche or that and immediately vulnerable to any losses.
Does the equity piece change based on the structure? Can its size vary in any deal?
How do you look at risk control with respect to residual risk? Who determines what deals you participate in and what residuals are held?
Is MBS like the 5 companies that have previously failed mint irrelevant issue or does its failure meaningfully degrade the performance of the market or create a buyer's strike in some way? What makes MBS different, if anything?
## Summary

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>1806</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Generated VII**

### Contact Information

<table>
<thead>
<tr>
<th>Class</th>
<th>Name</th>
<th>Email</th>
<th>Phone</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A-1</td>
<td>John Doe</td>
<td><a href="mailto:john.doe@email.com">john.doe@email.com</a></td>
<td>123-456-7890</td>
<td>123 Main St, Anytown, USA</td>
</tr>
<tr>
<td>Class A-2</td>
<td>Jane Smith</td>
<td><a href="mailto:jane.smith@email.com">jane.smith@email.com</a></td>
<td>234-567-8901</td>
<td>456 Elm St, Anytown, USA</td>
</tr>
<tr>
<td>Class A-3</td>
<td>Bob Johnson</td>
<td><a href="mailto:bob.johnson@email.com">bob.johnson@email.com</a></td>
<td>345-678-9012</td>
<td>789 Oak St, Anytown, USA</td>
</tr>
</tbody>
</table>

### Notes
- Class A-1: Additional notes...
- Class A-2: Additional notes...
- Class A-3: Additional notes...
This is the current date with ABS CDO Sales made by IB in past 3 years. This will give you a general sense of where the paper went but is a little hard to decipher. E.g., data shows that Magnetar bought a lot of high quality OAS equity in 2006- but it has no cash flow knock out triggers, CITF wrapped some AAA paper, but it is actually a static, collateralized portfolio. Many of the buyers listed are CMN (Coburn, CE Print, Deepfield, Pender, Wadling, etc). We will send you some more qualitative analysis shortly.

Accounts in my mind with the most risk from our list are Commonwealth, Basia, ERAM (North, BRK). This is probably in line with the broader market although we haven’t done much high grade ABS CDO business the last five years. Compare RL and CITF, have placed a tremendous amount of paper into Asia with accounts like DSKG, DMN, VC, Lyxor, etc. These deals aren’t severely tested as of yet but could yet there.

You may also want to follow up with ABS Correlation / Liquidation. In the end most of the ABS CDO cash markets went into other ABS CDOs. I think ABS Correlation business across the street has had more of a real money disbursement force.

--- Forwarded by Michael Lamberti/NewYork/GNMA/Deals on 07/12/2007 07:40 PM

---

Michael
Lamberti/NewYork/GNMA
Deals
07/12/2007 07:39 PM

best wishes,
John
Pipilis/NewYork/GNMA/Deals/Economics
michael.herrig

SUBJECT
ABS CDO BB Investor List

---

UNCONFIDENTIAL - PRODUCED TO M&T PERSUANT TO PROTECTIVE ORDER

Permanence Subcommissions on Investigations
Wall Street & The Financial Crisis
Report Footnote #1362
Please find the updated list of buyees.

Thank you,
-Joe
(See attached file: Investor List w buyers.xls)

Robert Cohen
Deutsche Bank | Global Markets
60 Wall Street
New York, NY 10005
cont.cohen@db.com
tel. 212 250 5855
Cell 646 257 1901

Investor List w buyers.xls
Type: application/octet
Name: Investor List w buyers.xls
ADDITIONAL DOCUMENTS RELATED TO GOLDMAN SACHS
ADDITION TO
Goldman Sachs supplemental response to questions for the record

From: Sandler, David [mailto:dsandler@omm.com]
Sent: Thursday, April 07, 2011 08:37 AM
To: Goschorn, Daniel (HSI/AC)
Subject: Goldman Sachs

Dan –

On August 20, 2010, Goldman Sachs provided the wire transfer numbers in conjunction with their testing of the Federal Reserve discount window as requested by the Subcommittee. As highlighted in previous responses, Goldman Sachs only used this access to test that all the necessary policies, procedures and operational capabilities required to access this funding were in place. The amounts borrowed were returned in their entirety the next day.

Goldman Sachs recently discovered that one test transaction was inadvertently omitted from the information previously provided to the Subcommittee due to the test being conducted by Goldman Sachs Bank USA, a Utah industrial bank, which tested their necessary policies, procedures and operational capabilities with the Federal Reserve discount window.

Below is a chart providing details of the transaction, including the wire transfer number:

<table>
<thead>
<tr>
<th>Borrow Date</th>
<th>Return Date</th>
<th>Collateral Pledged</th>
<th>Amount Borrowed</th>
<th>Reference Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/22/2006</td>
<td>09/24/2006</td>
<td>$110,020,000.00</td>
<td>$80,000,000.00</td>
<td>20080202Q0002000005</td>
</tr>
</tbody>
</table>

With this supplementation, we believe Goldman Sachs' prior production on this issue is complete.

David Sandler
O'Melveny & Myers LLP
1625 Eye Street, NW
Washington, D.C. 20006
(202) 383-5123 (phone)
(202) 383-5434 (fax)
dsandler@omm.com

This message and any attached documents contain information from the law firm of O'Melveny & Myers LLP that may be confidential and/or privileged. If you are not the intended recipient, you may not read, copy, distribute, or use this information. If you have received this transmission in error, please notify the sender immediately by reply e-mail and then delete this message.
From: Birmbaum, Josh
Sent: Sunday, August 19, 2007 9:23 PM
To: Montag, Tom
Cc: Sparke, Daniel; Nullen, Donald; Swenson, Michael; Finck, Greg
Subject: RE: Mtg Department Weekly Update

On the AAA outperformance question, I think AAAs would have performed similarly without our adding. Given the remote likelihood of loss on “real” RMBS AAAs (i.e. not AAA CDOs), a trading around 90 is mostly a liquidity trade and last week’s injection of liquidity should have been particularly constructive for AAAs. Of note, we saw AAA buying from relatively conservative accounts not normally involved in outright strategies (III, for example).

----- Original Message ----- 
From: Lehman, David A. 
Sent: Sunday, August 19, 2007 6:14 PM 
To: Montag, Tom 
Cc: Sparke, Daniel; Nullen, Donald; Swenson, Michael; Finck, Greg; Birmbaum, Josh 
Subject: Re: Mtg Department Weekly Update 

Going back to your previous question - net/net the department is long 60ish mm ABX AAAs (about the seasoned 06-1, long the newer 07-1 index)

Sweeney or Birmbaum can speak to your question re: AAA ABX px action

Net correlation, just the super senior RMBS trades (40-100% or 50-100% of SB/DB/1

The desk is currently evaluating the right parameter for the CMS super senior shorts but we have not had as much observability as we have had in mbs

David A. Lehman
Goldman, Sachs & Co.
85 Broad Street | New York, NY 10004
Tei: 212-902-2927 | Fax: 212-902-1491 | Mob: 917-

----- Original Message ----- 
From: Montag, Tom 
Subject: Re: Mtg Department Weekly Update 

How much of aaa outperforming was us buying? 

What assets were affected by correlation change?

----- Original Message ----- 
From: Lehman, David A. 
To: Montag, Tom 
Cc: Nullen, Donald; Sparke, Daniel; Swenson, Michael; Finck, Greg 

Permanent Subcommittees on Investigations
Wall Street & The Financial Crisis
Report Footnote #1805

GS-008/010081047
1812

Footnote Exhibits - Page 5883

Subject: RE: Mtg Department Weekly Update

Got it

Of the ~1.6bb AAA ABX but I believe 900mm was SPG trading getting longer and 700mm was short covering in books (AL A. Nib zide)

I don't have the current AAA ABX position @ the dept level in front of me but will get it and circle back

-----Original Message-----
From: Montag, Tom
Sent: Sunday, August 19, 2007 7:11 PM
To: Lehman, David A.
Subject: RE: Mtg Department Weekly Update

I saw the change. I wondered if that covered risk or took us long. Understand net is same as we are longer

----- Original Message ----- 
From: Lehman, David A.
To: Montag, Tom
Cc: Sparks, Daniel; Mullin, Donald; Swenson, Michael; Finck, Greg
Sent: Sun, Aug 19 19:07:36 2007
Subject: RE: Mtg Department Weekly Update

Added Finck, he can speak to your first question re: Fixed Apry

On your second question, the dept net added subprime risk via ABX and __________ in AAA CMS ____________

The dept net added risk via ABX @ across the curve but predominantly @ the AAA level (below from Swenyo)

Mortgage Dept Net ABX Change on the Week

| AAA  | +1.58mm |
| AA   | + 115   |
| A    | + 50    |
| BBB  | + 155   |
| BBB- | + 100   |
| Total| +2.000mm|

On the CMS side...

-----Original Message-----
From: Montag, Tom
Sent: Sunday, August 19, 2007 6:50 PM
To: Lehman, David A.
Subject: RE: Mtg Department Weekly Update

Fixed agency, Are we trying to get down? What did we buy?

How much did whole dept reduce risk this week? Was it all indices again or did we actually cover any shorts?

----- Original Message ----- 
From: Lehman, David A.
To: Montag, Tom; Sparks, Daniel; Mullin, Donald; Swenyo, Michael; Finck, Greg
Cc: Swenyo, Michael; Finck, Greg
Sent: Sun Aug 19 17:03:46 2007
Subject: Mtg Department Weekly Update

2
Mortgage Update (Finck)

Mortgage Derivatives

* Housing most stable and seemingly most mortgage market
* Flows are healthy: JPM selling -10 Inverse IO, Countrywide selling 6000 PO, otherwise insignificant* Better demand for levered, non-balance-sheet-intensive positions (IOs, Inverse IOs)
* PAI on week: +3.00%

Hedging: Pass-throughs, Swaps

Fixed Agency/Prime

* Spreads continue to widen under selling pressure (AAA super-senior pass-throughs now 1-4 bps from FNMA)
  - Dealers (particularly Countrywide) are overloaded and dumping bonds into any available bid - month
  - Only 2-3 active street bidders; most dealers are pressing on everything
* Recent two-way flows: Dol 308 roughly $150M on week, and bought approximately $700M
* PAI on week: -300 bps on spread widening: Making money trading, but losing more money on positions mark-downs in widening
* Position size (Secondary, New issue, and Loans): - $28

Hedging: Pendiently Agency Pass-throughs, with some swaps

Hybrid Agency/Prime

* Very heavy selling: Bid $1095/$1100 on the week mostly out of Wells (Thornburg, AAR, FBA)
* Spreads continue to push wider on supply pressure (AAA LIBOR引用 $100)
* Bought and sold over $2B. Developing good supply/demand balance with large money managers becoming big buyers
* PAI on week: -30 bps
* Position size (Secondary / Loans): - $48

Hedging: - $500MM ARMs (down from over $1B), Agency Pass-throughs, and Swaps

ALT-A

* Very light origination volumes: less than $500MM on week
* Significant widening in AA/BB, both Fixed and ARMs
  - Super-Senior AAA pass-throughs widened a point on week from FNMA, now back 2-3
  - $3ps wider over week!
* AAA hybrids also much wider: 25bps on week
* PAI on week: -150 bps on ARMs widening
* Position size: - $500MM loans

Hedging: short $18 ARMs AAA

Subprime/Blakhed and Don't

* Very quiet with essentially no new origination
* We continue to work on our portfolio for potential buy opportunity
* PAI on week: +28 bps (ARMs widening)
* $1.3B ARMs short vs $1B Subprime and 600MM $40 position

ABS Summary (Swenson)

1) Closing Prices and Changes for the week ended ARX 07-1:

<table>
<thead>
<tr>
<th>Weekly Change</th>
<th>AAA 91-00</th>
<th>AAA 77-00</th>
<th>AA 67-00</th>
<th>A 45-00</th>
<th>BBB 35-00</th>
<th>BBB- 23-16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+1.3bps</td>
<td>-3.0bps</td>
<td>-3.0bps</td>
<td>-3.0bps</td>
<td>-3.0bps</td>
<td>-3.0bps</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-010681649
2) General Credit

- Market was up as much as 6 or 7 points post Fed announcement this morning. Market came off the highs as fast money faded the rally with the market closing up 2 points on average
- Further liquidations from real money accounts facing redemptions. Multiple billions of AAA and AA name equity out for bid with roughly two-thirds trading
- Moody’s downgraded 84% of the second lien universe including 78 AAA bonds, likely to trigger numerous forced sales
- S&P downgraded 159 Alt-A deals that had been previously on watch

3) Current SPV Trading Desk Position Summary:

- RHSS AAA - long $2.28b
- RHSS AA - long $1.06b
- RHSS Single-Aa - net short $0.46b 100% in single-name CDS
- RHSS BBB/BBD - net short $1.56b (60% in single-name CDS - 40% in 2005 vintage)

4) August 13th - 17th

Total ABX Indices by Rating Bought this week:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>$1.50bn</td>
</tr>
<tr>
<td>AA</td>
<td>1.30</td>
</tr>
<tr>
<td>A</td>
<td>172.2</td>
</tr>
<tr>
<td>BBB</td>
<td>180</td>
</tr>
<tr>
<td>BBB-</td>
<td>202</td>
</tr>
<tr>
<td>Total</td>
<td>$2.397bn</td>
</tr>
</tbody>
</table>

ABX and Correlation Desk Net ABX Risk Changes on the Week:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>+ 865nm</td>
</tr>
<tr>
<td>AA</td>
<td>+ 115</td>
</tr>
<tr>
<td>A</td>
<td>+ 30</td>
</tr>
<tr>
<td>BBB</td>
<td>+ 155</td>
</tr>
<tr>
<td>BBB-</td>
<td>+ 100</td>
</tr>
<tr>
<td>Total</td>
<td>+1.285nm</td>
</tr>
</tbody>
</table>

Mortgage Dept Yet ADX Change on the Week

<table>
<thead>
<tr>
<th>Rating</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>+ 1.580nm</td>
</tr>
<tr>
<td>AA</td>
<td>+ 115</td>
</tr>
<tr>
<td>A</td>
<td>+ 30</td>
</tr>
<tr>
<td>BBB</td>
<td>+ 155</td>
</tr>
<tr>
<td>BBB-</td>
<td>+ 100</td>
</tr>
<tr>
<td>Total</td>
<td>+2.000nm</td>
</tr>
</tbody>
</table>

Confidential Treatment Requested by Goldman Sachs

GS MBS-E-010681660
Redacted by Permanent Subcommittee on Investigations

CDOs (Lehman)

* Desk was able to short 100m notional on the week
* Sold one cash "A" and bought protection from two different counterparties at the "AA" and "A" level
* Flow largely from hedge funds and fast-money desks covering short risk positions - we still have not seen a lot of new longs in the market
* First time in 6+ weeks we have seen decent trading activity
* Market continues to be dislocated with few dealers making markets and nobody looking to get long risk

Confidential Treatment Requested by Goldman Sachs

GS MS-E-010681651
## Mortgages

<table>
<thead>
<tr>
<th>Mortgage Performance (Index)</th>
<th>% YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Prime (0.3)</td>
<td>17.5</td>
</tr>
<tr>
<td>Real Cash (27.0)</td>
<td>100.1</td>
</tr>
<tr>
<td>CREFLOD (9.1)</td>
<td>101.8</td>
</tr>
<tr>
<td>SGP (94.1)</td>
<td>108.2</td>
</tr>
<tr>
<td>Other (68.7)</td>
<td>106.1</td>
</tr>
<tr>
<td>Mortgage (68.7)</td>
<td>110.0</td>
</tr>
<tr>
<td>Expenses (55.0)</td>
<td>91.3</td>
</tr>
</tbody>
</table>

### Indices

<table>
<thead>
<tr>
<th>Index</th>
<th>This Week</th>
<th>Last Week</th>
<th>Change (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAI, HE, AAI, A-1 Spread</td>
<td>1.200</td>
<td>1.400</td>
<td>170</td>
</tr>
<tr>
<td>AAI, HE, BBB-A Spread</td>
<td>1.200</td>
<td>1.400</td>
<td>170</td>
</tr>
<tr>
<td>BOA, AAA-CHF, CHF paper</td>
<td>115.5</td>
<td>120.0</td>
<td>-4.5</td>
</tr>
<tr>
<td>CMX, 0-2, AAA Spread</td>
<td>115.0</td>
<td>120.0</td>
<td>-5.0</td>
</tr>
<tr>
<td>CWIA, 0-2, AAA Spread</td>
<td>515.0</td>
<td>600.0</td>
<td>-85.0</td>
</tr>
<tr>
<td>CWIA, 0-2, BB Spread</td>
<td>1,700.0</td>
<td>1,110.0</td>
<td>590</td>
</tr>
</tbody>
</table>

*CMX: Long-Term, CHF: Swiss Francs, BOA: Bank of America, CWIA: Commerzbank West India Agency Inc.*

---

Informational Treatment Requested by Goldman Sachs

GS MBS-E-006640706

---

Restricted by the Permanent Subcommittee on Investigations

---

Footnote Exhibits - Page 5888

1817
Fixed Income, Currencies and Commodities
Business Planning Committee Presentation

November 19th, 2007
### Financial Highlights

**Overview**

- 2007 is a record year for FCC with revenue of $17.6B (+27% vs. 2006 +32% vs. 2007 Org Plan) and pre-tax profit of $6.8B
- 2007 marked full year results for 7 of the 8 business lines within FCC
- 2008 projected revenues of $17.7B reflect increases across all franchise businesses offset by decreases in programming.

#### Divisional Totals

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (B)</th>
<th>Expenses (B)</th>
<th>Pre-Tax Profit (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>6.7</td>
<td>4.0</td>
<td>2.7</td>
</tr>
<tr>
<td>2005</td>
<td>6.8</td>
<td>4.0</td>
<td>2.9</td>
</tr>
<tr>
<td>2006</td>
<td>8.9</td>
<td>4.0</td>
<td>4.9</td>
</tr>
<tr>
<td>2007</td>
<td>17.6</td>
<td>8.0</td>
<td>9.6</td>
</tr>
<tr>
<td>2008</td>
<td>17.4</td>
<td>8.0</td>
<td>9.4</td>
</tr>
</tbody>
</table>

#### Regional Contributions

<table>
<thead>
<tr>
<th>Year</th>
<th>Region A</th>
<th>Region B</th>
<th>Region C</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>14.3</td>
<td>17.0</td>
<td>12.4</td>
</tr>
</tbody>
</table>

**Notes:**
- **Total** includes contributions of T-Mobile and Subsidiaries
- of which T-Mobile represents 4 of 4

Confidential Treatment Requested by Goldman Sachs

CS 11/25/00 233651.02

VerDate Nov 24 2008 09:47 May 19, 2011 Jkt 066052 PO 00000 Frm 01823 Fmt 6602 Sfmt 6602 P:\DOCS\66052.TXT SAFFAIRS PsN: PAT
## 2006 Business Overview

**2008 Budget**

<table>
<thead>
<tr>
<th>($ in Millions)</th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
<th>% Chg 08 % Chq 07</th>
<th>% Chq 07</th>
<th>2008 Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>17,260</td>
<td>17,748</td>
<td>14,848</td>
<td>-2%</td>
<td>22%</td>
<td>a decrease across firmwide and offset by pricing.</td>
</tr>
<tr>
<td>Variable Expense</td>
<td>1,720</td>
<td>1,954</td>
<td>1,500</td>
<td>-22%</td>
<td>-2%</td>
<td>a decrease in cost of power.</td>
</tr>
<tr>
<td>Revenues Net of Variable</td>
<td>15,540</td>
<td>15,794</td>
<td>13,348</td>
<td>0%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>7,923</td>
<td>7,548</td>
<td>5,302</td>
<td>5%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>5,381</td>
<td>4,972</td>
<td>3,802</td>
<td>8%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Indirect Expenses</td>
<td>2,542</td>
<td>2,576</td>
<td>1,500</td>
<td>7%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>7,923</td>
<td>7,548</td>
<td>5,302</td>
<td>0%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Income Earnings</td>
<td>8,617</td>
<td>8,046</td>
<td>6,046</td>
<td>-6%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Pre-tax Margin</td>
<td>4.76%</td>
<td>5.27%</td>
<td>4.76%</td>
<td>-5%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Total Staff</td>
<td>5,320</td>
<td>5,972</td>
<td>2,984</td>
<td>0%</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

Footnote: Total Staff includes employees, Public, consultants & lease, and subcontracts.

Confidential Treatment Requested by Goldman Sachs

GS 4085:6.023656107
### 2008 Business Overview

2006 – 2008P Revenues by Business Unit

- 2006P revenues of $17.4bn reflect increases across all business units, offset by principal decreases
- Globally diverse portfolio with each region contributing meaningfully to 2007 results (Americas $8.4bn, Europe $7.7bn, Asia $3.6bn)

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>2006 Revenues</th>
<th>2007 Revenues</th>
<th>2008P Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Credit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GS/SG (Ex Consolidated)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Banking (Ex Cost of Funds)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Markets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Inflation Treatment Requested by Goldman Sachs*
# Expense Overview

## Headcount and Compensation

<table>
<thead>
<tr>
<th>Staff by Business</th>
<th>Americas</th>
<th>EMEA</th>
<th>Others</th>
<th>Total</th>
<th>% Change Payroll</th>
<th>% Change Payroll Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Values / footnotes including 11a note for a period of 2012 from a 2012 board meeting.*

---

Footnote Exhibits - Page 5894
GOLDMAN SACHS REPORTS RECORD
EARNINGS PER COMMON SHARE OF $24.73 FOR 2007
FOURTH QUARTER EARNINGS PER COMMON SHARE WERE $7.81

NEW YORK, December 18, 2007 - The Goldman Sachs Group, Inc. (NYSE: GS) today reported net revenues of $45.99 billion and net earnings of $11.60 billion for the year ended November 30, 2007. Diluted earnings per common share were $24.73, an increase of 26% compared with $19.69 for the year ended November 24, 2006. Return on average tangible common shareholders’ equity (ROTE) was 36.2% and return on average common shareholders’ equity (ROE) was 32.7% for 2007.

Fourth quarter net revenues were $10.74 billion and net earnings were $3.22 billion. Diluted earnings per common share were $7.01 compared with $5.80 for the same 2006 quarter and $6.13 for the third quarter of 2007. Annualized ROTE(1) was 40.1% and annualized ROE was 34.8% for the fourth quarter of 2007.

Annual Business Highlights

- Goldman Sachs achieved record net revenues, net earnings and diluted earnings per common share in 2007.
- Book value per common share increased 25% to $90.43 in 2007. The firm repurchased 41.2 million shares of its common stock for a total cost of $6.96 billion.
- The firm produced record results in the Americas, Europe and Asia, and derived over one-half of its pre-tax earnings outside of the Americas.
- Investment Banking produced net revenues of $7.56 billion, 34% higher than the previous record set in 2006. The firm ranked first in worldwide announced mergers and acquisitions. (8)
- Fixed Income, Currency and Commodities (FICC) generated net revenues of $16.17 billion, 13% higher than the previous record set in 2006, reflecting strong performance in all major businesses.
- Equities produced net revenues of $11.30 billion, 32% above the previous record set in 2006.
- Principal Investments achieved net revenues of $3.76 billion, reflecting record in both corporate and real estate investing.
- Asset Management generated record net revenues of $4.49 billion, as assets under management increased $192 billion, or 26%, to $869 billion. Net inflows were $161 billion in 2007.
- Securities Services achieved record net revenues of $2.72 billion.

"The talent of our people and our focus on teamwork were at the core of our ability to support our clients while delivering strong returns for our shareholders," said Lloyd C. Blankfein, Chairman and Chief Executive Officer. "Inherent in our commitment to our clients is the need to help them execute their transactions in all market conditions and, as a result, we are ever mindful of the importance of effective risk management. Looking forward, we continue to see significant growth opportunities across the global economy."

Media Relations: Lucas van Praag 212-902-8400 | Investor Relations: Dane E. Holmes 212-902-5580

confidential Treatment Requested by Goldman Sachs

GS MBS-E-0236040661
Net Revenues

Investment Banking

Full Year
Net revenues in Investment Banking were $7.56 billion for the year, 34% higher than 2006. Net revenues in Financial Advisory were $4.22 billion, 64% higher than 2006, primarily reflecting growth in industry-wide completed mergers and acquisitions. Net revenues in the firm’s Underwriting business were $3.34 billion, 6% higher than 2006, due to higher net revenues in debt underwriting, primarily reflecting strength in leveraged finance during the first half of the year. Net revenues in equity underwriting were also strong, but essentially unchanged from 2006.

Fourth Quarter
Net revenues in Investment Banking were $1.97 billion, 47% higher than the fourth quarter of 2006 and 8% lower than a particularly strong third quarter of 2007. Net revenues in Financial Advisory were $1.24 billion, 38% higher than the fourth quarter of 2006, reflecting increased client activity. Net revenues in the firm’s Underwriting business were $735 million, essentially unchanged from the fourth quarter of 2006. Net revenues in equity underwriting were higher, primarily reflecting an increase in initial public offerings. Results in debt underwriting were lower, primarily due to a decrease in leveraged finance and mortgage-related activity, reflecting challenging market conditions, partially offset by an increase in investment-grade activity.

The firm’s Investment Banking transaction backlog decreased during the quarter, but was higher than at the end of 2006.10

Trading and Principal Investments

Full Year
Net revenues in Trading and Principal Investments were $31.23 billion for the year, 22% higher than 2006.

Net revenues in FICC were $16.17 billion for the year, 13% higher than 2006, reflecting significantly higher net revenues in currencies and interest rate products. In addition, net revenues in mortgages were higher despite a significant deterioration in the mortgage market throughout the year, while net revenues in credit products were strong, but slightly lower compared with the prior year. Credit products included substantial gains from equity investments, including a gain of approximately $800 million related to the disposition of Horizon Wind Energy, L.L.C., as well as a loss of approximately $1 billion, net of hedges, related to non-investment-grade credit origination activities. Net revenues in commodities were also strong but lower compared with 2006. During 2007, FICC operated in an environment generally characterized by strong customer-driven activity and favorable market opportunities. However, during the year, the mortgage market experienced significant deterioration and, in the second half of the year, the broader credit markets were characterized by wider spreads and reduced levels of liquidity.

Net revenues in Equities were $11.30 billion for the year, 33% higher than 2006, reflecting significantly higher net revenues in both the firm’s customer franchise businesses and principal strategies. The customer franchise businesses benefited from significantly higher commission volumes. During 2007, Equities operated in an environment characterized by strong customer-driven activity, generally higher equity prices and higher levels of volatility, particularly during the second half of the year.
### THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES

#### REVENUE NET REVENUES (IN MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>Nov 30, 2007</th>
<th>Nov 30, 2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Banking</td>
<td>$4,303</td>
<td>$5,092</td>
<td>9%</td>
</tr>
<tr>
<td>Equity underwriting</td>
<td>1,386</td>
<td>1,204</td>
<td>-16%</td>
</tr>
<tr>
<td>Total underwriting</td>
<td>5,589</td>
<td>6,296</td>
<td>13%</td>
</tr>
<tr>
<td>Total Investment Banking</td>
<td>7,898</td>
<td>9,391</td>
<td>27%</td>
</tr>
<tr>
<td>Trading and Principal Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FICC</td>
<td>10,118</td>
<td>14,762</td>
<td>46%</td>
</tr>
<tr>
<td>Equity trading</td>
<td>6,720</td>
<td>4,252</td>
<td>-36%</td>
</tr>
<tr>
<td>Equity underwriting</td>
<td>2,859</td>
<td>3,756</td>
<td>31%</td>
</tr>
<tr>
<td>Total Equities</td>
<td>11,380</td>
<td>13,108</td>
<td>15%</td>
</tr>
<tr>
<td>SG/M</td>
<td>109</td>
<td>87</td>
<td>-15%</td>
</tr>
<tr>
<td>Other corporate and real estate gains and losses</td>
<td>3,914</td>
<td>6,215</td>
<td>-34%</td>
</tr>
<tr>
<td>Commissions</td>
<td>2,162</td>
<td>2,421</td>
<td>12%</td>
</tr>
<tr>
<td>Total Trading and Principal Investments</td>
<td>17,635</td>
<td>25,992</td>
<td>48%</td>
</tr>
<tr>
<td>Asset Management and Securities Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and other fees</td>
<td>4,302</td>
<td>3,329</td>
<td>-23%</td>
</tr>
<tr>
<td>Insurance fees</td>
<td>118</td>
<td>182</td>
<td>56%</td>
</tr>
<tr>
<td>Total Asset Management</td>
<td>4,420</td>
<td>3,511</td>
<td>25%</td>
</tr>
<tr>
<td>Securities Services</td>
<td>8,746</td>
<td>8,116</td>
<td>-8%</td>
</tr>
<tr>
<td>Total Asset Management and Securities Services</td>
<td>13,166</td>
<td>11,627</td>
<td>13%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>50,657</td>
<td>67,688</td>
<td>34%</td>
</tr>
</tbody>
</table>
Securities Division

4Q07 Managing Director Meeting
January 10th, 2008

Private and Confidential: For Internal Use Only
FICC Financial Highlights
2004-2008P, as internally reported

- 2007 record revenues of $16.7bn (+15% vs. 2006 / +24% vs. 2007 Original Plan) and record pre-tax profits of $7.8bn
- 2008P revenues of $17.7bn (+6% vs. 2007) and pre-tax profits of $8.6bn reflects +22% increase in Franchise offset by reduced Principal Trading revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Pre-Tax</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$16.7bn</td>
<td>$14.5bn</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>$18.0bn</td>
<td>$16.7bn</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>$20.0bn</td>
<td>$17.7bn</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$21.7bn</td>
<td>$18.6bn</td>
<td></td>
</tr>
<tr>
<td>2008P</td>
<td>$23.3bn</td>
<td>$19.6bn</td>
<td></td>
</tr>
</tbody>
</table>

4-Year CAIR: 2004 - 2008P
- 2004 vs 2007
  - Revenues: 15%
  - Pre-Tax: 13%
  - Total Staff: 13%
- 2007 vs 2006
  - Revenues: 15%
  - Pre-Tax: 13%
  - Total Staff: 14%

* Potential Treatment Requested by Goldman Sachs

GS MD5-C-02360417
## FICC Business Overview

2006-2008P Revenues by Business Unit, as internally reported

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>2006</th>
<th>2007</th>
<th>2008P</th>
<th>Revenues</th>
<th>Rev Net of Var</th>
<th>% IMP x 07</th>
<th>% IMP x 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>RP</td>
<td>$2,700</td>
<td>$2,600</td>
<td>$3,100</td>
<td>+22%</td>
<td>+22%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>$1,500</td>
<td>$1,500</td>
<td></td>
<td></td>
<td></td>
<td>+0%</td>
<td>+10%</td>
</tr>
<tr>
<td>Money Markets</td>
<td></td>
<td>$100</td>
<td>$100</td>
<td>-3%</td>
<td>+52%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>$250</td>
<td>$100</td>
<td>$150</td>
<td></td>
<td>+63%</td>
<td>+97%</td>
<td></td>
</tr>
<tr>
<td>Commodities</td>
<td></td>
<td>$1,200</td>
<td>$1,200</td>
<td></td>
<td>-20%*</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>Credit</td>
<td></td>
<td>$1,500</td>
<td>$2,000</td>
<td>+29%</td>
<td>+15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgages</td>
<td></td>
<td>$1,100</td>
<td>$1,100</td>
<td>+26%</td>
<td>+26%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBSG</td>
<td></td>
<td>$3,500</td>
<td>$4,100</td>
<td></td>
<td>-18%*</td>
<td>+6%</td>
<td></td>
</tr>
</tbody>
</table>

*Commodities ex Power Assets O&M
+5% IMP x 06
+4% IMP x 07

Confidential Treatment Requested by Goldman Sachs
Global Mortgages
Business Unit Townhall
Q4 2007
# Firmwide Full Year Earnings

($ in Millions, Except Per Share Amounts)

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY07</th>
<th>FY06</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>17,038</td>
<td>16,603</td>
<td>2.5%</td>
</tr>
<tr>
<td>Pre-Tax Earnings</td>
<td>11,572</td>
<td>11,387</td>
<td>1.6%</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>11,572</td>
<td>11,387</td>
<td>1.6%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>22.1%</td>
<td>22.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>ROE</td>
<td>33.2%</td>
<td>39.3%</td>
<td>-16.5%</td>
</tr>
<tr>
<td>ROTE</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>