

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ALLSTATE LIFE GLOBAL FUNDING

(Rule 140 Co-Registrant)
(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State of Organization)

Not Applicable

(I.R.S. Employer Identification Number)

6525 Morrison Boulevard

Suite 318

Charlotte, NC 28211

(704) 365-0569

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Douglas K. Johnson

President of AMACAR Pacific Corp.,

Administrator of Allstate Life Global Funding

6525 Morrison Boulevard

Suite 318

Charlotte, NC 28211

(704) 365-0569

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agents For Service with Respect to the Registrants)

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ALLSTATE LIFE INSURANCE COMPANY

(Rule 140 Co-Registrant)

(Exact Name of Registrant as Specified in Its Charter)

Illinois

(State of Organization)

36-2554642

(I.R.S. Employer Identification Number)

3100 Sanders Road

Northbrook, IL 60062

(847) 402-5000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Michael J. Velotta

Senior Vice President, General Counsel

and Secretary of Allstate Life Insurance Company

3100 Sanders Road

Northbrook, IL 60062

(847) 402-5000

Copies to:

John M. Schwolsky

Joseph L. Seiler III

Gary Apfel

LeBoeuf, Lamb, Greene & MacRae, L.L.P.

125 West 55th Street

New York, NY 10019

Approximate date of commencement of proposed sale to the public:
As soon as practicable after these registration statements become effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the Prospectus is expected to be made pursuant to Rule 434, please check the following box. o

CALCULATION OF REGISTRATION FEE

Table with 5 columns: Title of Securities to be Registered, Amount To Be Registered(1), Proposed Maximum Aggregate Price Per Unit, Proposed Maximum Aggregate Offering Price(2), Amount of Registration Fee. Rows include Senior Secured Medium Term Notes and Funding Agreements(3).

Or, if any securities are (a) denominated or payable in a foreign or composite currency or currencies, such principal amount as shall result in an aggregate initial offering price equivalent to \$3,000,000,000, at the time of initial offering, (b) issued at an original issue discount, such greater principal amount as shall result in an aggregate initial offering price of \$3,000,000,000, or (c) issued with their principal amount payable at maturity to be determined with reference to a currency exchange rate or other index, such principal amount as shall result in an aggregate initial offering price of \$3,000,000,000.

(1) The amount of securities being registered represents the maximum aggregate principal amount of securities which, on November 22, 2002, are expected to be offered for sale.
(2) Estimated solely for the purpose of determining the amount of the registration fee.
(3) Registered solely due to the "co-registrant" status of Allstate Life Insurance Company. \$3,000,000,000 is the estimated maximum aggregate offering price of all the securities being registered.

The registrants hereby amend these registration statements on a date necessary to delay its effectiveness until the registrants file a further amendment specifically stating that these registration statements will become effective according to Section 8(a) of the Securities Act of 1933 or until these registration statements shall become effective on the date the Commission determines.

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## EXPLANATORY NOTE

These registration statements contain a prospectus to be used in connection with the offer and sale of senior secured medium term notes which Allstate Life Global Funding may issue and sell to the public with payment of principal of, any premium and interest on, and any other amounts due and owing with respect to, the notes to be secured by funding agreements issued and sold by Allstate Life Insurance Company to Allstate Life Global Funding.

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the SEC is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer of or sale is not permitted or would require registration or qualification under the securities laws of the jurisdiction.**

**Subject to Completion  
Preliminary Prospectus dated November 22, 2002**

## PROSPECTUS

**\$3,000,000,000**

## **Allstate Life Global Funding**

### **Senior Secured Medium Term Notes**

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We are Allstate Life Global Funding, a special purpose statutory trust organized in series under the laws of the State of Delaware. This offering consists of one or more series of senior secured medium term notes, which we refer to in this Prospectus as Notes, with the aggregate principal amount of up to \$3,000,000,000 or the equivalent amount in one or more foreign or composite currencies. Notes of a series may be listed on a securities exchange. We will use the net proceeds from the offering of each series of the Notes to purchase one or more funding agreements, which we refer to in this Prospectus as Funding Agreements, issued by Allstate Life Insurance Company, an Illinois insurance company. We exist for the exclusive purposes of: issuing and selling discrete series of Notes to investors; using the net proceeds from the sale of each series of Notes to acquire one or more Funding Agreements from Allstate Life; and engaging in other activities necessary or incidental thereto.

- **The Notes:** The Notes of each series will:
  - rank as our senior secured indebtedness;
  - rank *pari passu* with respect to each other and with respect to Notes issued in any other series;
  - be secured by one or more Funding Agreements;
  - have a stated maturity of 9 months or more from the date of issue;
  - have redemption and/or repayment provisions, if applicable, whether mandatory or at the option of us or the holders of our Notes;
  - provide for payments in U.S. dollars or one or more foreign currencies;
  - unless otherwise specified in the applicable Pricing Supplement, have a minimum denomination of \$1,000 or other specified denominations for foreign currencies; and
  - be in book-entry or certificated form.
- **Pricing Options:** Each series of Notes will bear interest at fixed or floating rates, or bear no interest at all. Unless we otherwise specify in the applicable Pricing Supplement, we will pay interest on each series of Notes on a monthly, quarterly, semiannual or annual basis.

**Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page 5 of this Prospectus.**

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus or any Pricing Supplement is truthful or complete. Any representation to the contrary is a criminal offense.

We may sell the Notes to the Agent referred to below or other Agents as principals for resale at varying or fixed offering prices or through the Agent referred to below or other Agents as agent using their reasonable efforts on our behalf. We may also sell Notes without the assistance of any Agent.

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## **Merrill Lynch & Co.**

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The date of this Prospectus is • , 2002.

You should rely on the information contained or incorporated by reference in this Prospectus and any Pricing Supplement. Neither we nor Allstate Life nor any Agent has authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor Allstate Life nor any Agent is making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this Prospectus and any Pricing Supplement is accurate only as of its respective date.

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This Prospectus is part of a registration statement on Form S-1 and a registration statement on Form S-3 that we and Allstate Life filed with the Securities and Exchange Commission, or the Commission, using a "shelf" registration process. Under this shelf process, we may, over time, sell any combination of the Notes described in this Prospectus in one or more offerings up to a total dollar amount of \$3,000,000,000 or the equivalent amount in one or more foreign or composite currencies. This Prospectus provides you with a general description of the Notes we may offer. Each time we sell securities, we will provide a Pricing Supplement that will contain specific information about the terms of that offering. This Prospectus does not contain all of the information included in the registration statements. For a complete understanding of the offering of Notes, you should refer to the registration statements relating to this Prospectus, including their exhibits. The Pricing Supplement may also add, update or change information contained in this Prospectus. You should read both this Prospectus and any Pricing Supplement together with the additional information described under the heading "Available Information."

In this Prospectus, references to "Issuer", "Trust", "we", "us" and "our" are to Allstate Life Global Funding, and not Allstate Life Insurance Company, unless we state otherwise or the context clearly indicates otherwise. References to Allstate Life are to Allstate Life Insurance Company.

In this Prospectus, references to "United States dollars", "U.S. dollars" or "\$" are to lawful currency of the United States of America, and references to "Euro" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

Persons participating in the offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes offered by this Prospectus, including over-allotment, stabilizing transactions, short-covering transactions and penalty bids. These transactions if commenced may be discontinued at any time.

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### FORWARD-LOOKING STATEMENTS

This Prospectus and any Pricing Supplement may include forward-looking statements. Forward-looking statements are not statements of historical fact but rather reflect our or Allstate Life's current expectations, estimates and predictions about future results and events. These statements may use words such as "anticipate," "believe," "estimate," "expect," "intend," "predict," "project" and similar expressions as they relate to us, Allstate Life or our respective managements. When we or Allstate Life make forward-looking statements, we or Allstate Life are basing them on our respective managements' beliefs and assumptions, using information currently available to us or Allstate Life, as the case may be. These forward-looking statements are subject to risks, uncertainties and assumptions, including but not limited to, risks, uncertainties and assumptions discussed in this Prospectus and in any Pricing Supplement. Factors that can cause or contribute to these differences include those described under the headings "Risk Factors." We and Allstate Life undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

If one or more of these or other risks or uncertainties materialize, or if our or Allstate Life's underlying assumptions prove to be incorrect, actual results may vary materially from what we or Allstate Life projected. Any forward-looking statements you read in this Prospectus or any Pricing Supplement reflect our or Allstate Life's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our or Allstate Life's operations, results of operations, growth strategy and liquidity. All subsequent written and oral forward-looking statements attributable to us or Allstate Life or individuals acting on our or Allstate Life's behalf are expressly qualified in their entirety by this paragraph. You should specifically consider the factors identified in this Prospectus and any Pricing Supplement which could cause actual results to differ before making an investment decision.

### AVAILABLE INFORMATION

We are a special purpose statutory trust organized in series under the laws of the State of Delaware. We also occasionally refer to any of our series in this Prospectus as series of the Trust. Delaware law does not require us generally or with respect to any of our series to prepare financial statements. Accordingly, no financial statements have been or will be prepared with respect to us generally or with respect to any series of the Trust. Each applicable Pricing Supplement will set forth our capitalization as anticipated immediately following the closing of the sale of the relevant series of Notes.

Together with Allstate Life, we filed with the Commission a registration statement on Form S-1 and a registration statement on Form S-3 under the Securities Act of 1933 with respect to the Notes. This Prospectus, which constitutes part of the registration statements, does not contain all of the information set

forth in the registration statements. Parts of the registration statements are omitted from this Prospectus in accordance with the rules and regulations of the Commission.

Allstate Life filed with the Commission a registration statement on Form 10 (SEC File No. 0-31248), dated April 24, 2002. Following such date, Allstate Life has undertaken to file annual, quarterly, and special event reports and other information with the Commission. You can read and copy any reports or other information Allstate Life files at the Commission's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can also request copies of Allstate Life's documents upon payment of a duplicating fee, by writing to the Commission's public reference room. You can obtain information regarding the public reference room by calling the Commission at 1-800-SEC-0330. Allstate Life filings are available to the public from commercial document retrieval services and over the internet at <http://www.sec.gov>.

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### INCORPORATION OF DOCUMENTS BY REFERENCE

The Commission allows us and Allstate Life to "incorporate by reference" information Allstate Life files with them into this Prospectus, which means that incorporated documents are considered part of this Prospectus. We and Allstate Life can disclose important information to you by referring you to those documents. Information that Allstate Life files with the Commission will automatically update and supersede the information in this Prospectus.

This Prospectus incorporates by reference the following documents previously filed by Allstate Life with the Commission:

- Form 10 (SEC File No. 0-31248), dated April 24, 2002;
- Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2002;
- Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2002;
- Current Report filed on Form 8-K dated August 14, 2002; and
- Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2002.

This Prospectus incorporates by reference any filings made by Allstate Life with the Commission subsequent to the filing of this Prospectus. These documents contain important information about Allstate Life and its finances.

You may request a copy of any documents incorporated by reference in this Prospectus except exhibits to such Prospectus, at no cost, by writing or telephoning to the following addresses or telephone numbers:

Allstate Life Global Funding  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard  
Suite 318  
Charlotte, North Carolina 28211  
Attention: President  
Tel: (704) 365-0569

Allstate Life Insurance Company  
3100 Sanders Road, Suite M3A  
Northbrook, Illinois 60062  
Attention: Assistant Vice President,  
Institutional Markets  
Tel: (847) 402-5000

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### RISK FACTORS

*Your investment in the Notes includes risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the following discussion of risks before deciding whether an investment in the Notes is suitable for you. The Notes are not an appropriate investment for you if you do not understand their significant components and/or financial matters.*

#### Risk Factors Relating to Us

*We have limited resources*

Our ability to make timely payments with respect to a series of Notes is principally dependent upon Allstate Life making the related payments under each relevant Funding Agreement. We are a statutory business trust organized in series. Consequently, the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular series of the Trust shall be enforceable against only the assets of such series of the Trust and not against our assets generally or the assets of any other series of the Trust and, unless otherwise provided in the trust agreement, as amended or modified from time to time, which we refer to in this Prospectus as the Trust Agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Trust generally or any other series thereof will be enforceable against the assets of such series. Our obligations under a series of Notes, which we refer to in this Prospectus as our Obligations, will be secured by one or more Funding Agreements together with all of the proceeds in respect of, and all of the books and records pertaining to, such Funding Agreements and all rights of the relevant series thereto which we collectively refer to in this Prospectus as the Collateral. No series of Notes will have any right to receive payments from the Collateral related to any other series of Notes.

The Notes are not obligations of, and are not guaranteed by, Allstate Life, or any of its subsidiaries or affiliates. Except as provided by the Collateral, none of these entities nor any agent, trustee or beneficial owner of us generally, or in respect of any series of the Trust, is under any obligation to provide funds or capital to us generally or with respect to any of our series. Our net worth on the date hereof is approximately \$1,000. Our net worth is not expected to increase materially.

We are a statutory trust organized in series under the laws of the State of Delaware. We exist for the exclusive purposes of: issuing and selling discrete series of Notes to investors; using the net proceeds from the sale of each series of Notes to acquire the Collateral, including one or more Funding Agreements from Allstate Life; and engaging in other activities necessary or incidental thereto. We have no prior operating history.

## **Risk Factors Relating to the Notes**

### *The Notes are our non-recourse obligations*

Our obligations under the Notes of a series are payable only from the applicable Collateral. If any event of default shall occur under any series of the Notes, the rights of the holders of the Notes of such series and Bank One, National Association, which we refer to in this Prospectus as the Indenture Trustee, will be limited to a proceeding against the applicable Collateral. None of such holders or the Indenture Trustee will have the right to proceed against the Collateral related to any other series of Notes or any of Allstate Life, its officers, directors, affiliates, employees or agents or any of our trustees, beneficial owners or agents, or any of their respective officers, directors, affiliates, employees or agents in the case of any deficiency judgment remaining after foreclosure of any property included in such Collateral. All claims of the holders of a series of Notes in excess of amounts received from the

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related Collateral will be extinguished. In addition, in certain circumstances an event of default under a series of Notes may not constitute an event of default under the applicable Funding Agreement. In that event, it is possible that our obligations under any series of Notes may be accelerated while the obligations of Allstate Life under the applicable Funding Agreement may not be similarly accelerated. If this occurs, the Indenture Trustee may have no or limited ability to proceed against the applicable Funding Agreement and the related Collateral and holders of our Notes may not be paid in full, or in a timely manner upon such acceleration. See "Description of the Notes—Event of Default."

### *The Notes could be deemed to be participations in the Funding Agreements or could otherwise be deemed to be contracts of insurance*

The laws and regulations of each state of the United States and of foreign jurisdictions contain broad definitions of the activities that may constitute the conduct of the business of insurance in such jurisdictions.

LeBoeuf, Lamb, Greene & MacRae, L.L.P., our special counsel, has advised us in a memorandum with regard to insurance matters that neither we nor any persons selling or purchasing the Notes should be subject to regulation as doing an insurance business in any state of the United States or the District of Columbia by virtue of the offer, sale and/or purchase of the Notes. This advice is based upon interpretations (either written or oral) received from the staff of the insurance regulatory body in each of the states of the United States (except the states of Florida, Iowa, Mississippi, Montana, New Mexico and Vermont, where we obtained opinions of local counsel) and is subject to the considerations described below. These oral and written interpretations from state insurance regulatory bodies were based on general descriptions of the issuance of funding agreements to back instruments such as the Notes and were not specifically based on this medium term note program or the Notes. Information specifically relating to this medium term note program and/or the Notes which was not disclosed to insurance regulators could be considered material by such regulators and, had such factual information been disclosed, could have resulted in different guidance or advice from such regulators. Based on these oral and written interpretations and local counsel opinions and subject to such other considerations as are set forth in its memorandum, LeBoeuf, Lamb, Greene & MacRae, L.L.P. believes that the Notes should not be subject to regulation as participations in the Funding Agreements themselves or otherwise constitute insurance contracts; and we and persons selling or purchasing the Notes should not be subject to regulation as doing an insurance business by virtue of our respective activities in connection with the offer, sale and/or purchase of the Notes.

Although the staff of the insurance regulatory body in Arkansas has stated it would not regulate the issuance or sale of securities such as the Notes generally, the staff also stated that it would not encourage any domestic Arkansas insurer to purchase the Notes.

All written or oral communications with insurance regulatory bodies reflect only the interpretation of the staff of such regulatory bodies with respect to the laws and regulations of their respective jurisdictions, and do not purport to be, nor should they be relied upon as, binding legal authority. Such interpretations and advice by local counsel may be subject to challenge in administrative or judicial proceedings. Insurance regulatory authorities in the United States also have broad discretionary powers to modify or withdraw regulatory interpretations and there can be no assurance that such interpretations or advice of local counsel will remain in effect or as to the outcome of any such challenge. In addition, no similar interpretations have been obtained with respect to any foreign jurisdictions. There can be no assurance that such interpretations and advice will remain in effect, or that such interpretations would be given any effect by a court.

We will not be registered or licensed as an insurance company in any jurisdiction. In the event it is determined that we should have been licensed under the insurance laws of a jurisdiction in connection with the issuance of the Notes, we will be in violation of such laws or regulations and could

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be subject to the fines, penalties and other sanctions provided for therein. Such violation could have a material adverse impact on our ability to meet our obligations under the Notes.

Similarly, if the Notes are deemed to be contracts of insurance, there can be no assurance that holders of the Notes who subsequently offer, sell, transfer or purchase Notes could not be found to be acting as insurance agents or brokers under the laws of certain jurisdictions or otherwise be subject to the applicable insurance laws. Acting without a required insurance agent or broker license or other violations of applicable insurance laws and regulations could subject such holder of Notes to substantial civil and criminal fines and charges.

It is likely that if the Notes were to be deemed contracts of insurance, the ability of a holder to offer, sell or otherwise transfer the Notes in secondary market transactions or otherwise would be substantially impaired and, to the extent such sale or transfer could be effected, the proceeds realized from such offer, sale or transfer could be materially and adversely affected.

### *Notes may be redeemed early if we become obligated to pay Additional Amounts*

If we are obligated to withhold or deduct any taxes or pay any Additional Amount (as defined in the relevant Funding Agreement) with respect to any payment on the Notes to non-U.S. Holders, or if there is a material probability that we will become obligated to withhold or deduct any such taxes or pay any Additional Amount (in the opinion of independent legal counsel selected by Allstate Life), in each case pursuant to a change in or amendment to any United States tax laws or any regulation or ruling thereunder or any change in the position of the Internal Revenue Service regarding the application or interpretation thereof, then Allstate Life, pursuant to the terms of the relevant Funding Agreement, may terminate the relevant Funding Agreement. If Allstate Life terminates the relevant Funding Agreement, we will redeem the particular series of Notes by giving not less than thirty (30) nor more than seventy-five (75) days' notice. Upon such redemption, we will pay holders of such series of Notes the outstanding principal of, premium (if any), any accrued but unpaid interest on their Notes, and such other amount as is specified in the Pricing Supplement for such Notes. If we redeem your Notes, you may not be able to invest the redemption proceeds in a comparable security at an interest rate equal to the interest rate on your Notes being redeemed.

*Notes indexed to interest rate, currency or other indices or formulas may have risks not associated with a conventional debt security*

If you invest in Notes indexed to one or more interest rate, currency or other indices or formulas, you will be subject to significant risks not associated with a conventional fixed rate or floating rate debt security. These risks include fluctuation of the particular indices or formulas and the possibility that you will receive a lower, or no, amount of principal, premium or interest than you expected or receive principal, premium or interest at a different time than you expected. We have no control over a number of matters, including economic, financial and political events, that are important in determining the existence, magnitude and longevity of these risks and their results. In addition, if an index or formula used to determine any amounts payable in respect of the Notes contains a multiplier or leverage factor, the effect of any change in the particular index or formula will be magnified. In recent years, values of certain indices and formulas have been volatile and volatility in those and other indices and formulas may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future.

*Redemption may adversely affect your return on the Notes*

If your Notes are redeemable at our option, we may choose to redeem your Notes at times when prevailing interest rates are relatively low. In addition, if your Notes are subject to mandatory redemption, we may be required to redeem your Notes also at times when prevailing interest rates are

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relatively low. As a result, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your Notes being redeemed.

*There may not be any trading market for your Notes; Many factors affect the trading and market value of your Notes*

Upon issuance, the Notes of a series will not have an established trading market. We cannot assure you a trading market for your Notes will ever develop or be maintained if developed. In addition to our and Allstate Life's creditworthiness, many factors affect the trading market for, and trading value of, your Notes. These factors include:

- the complexity and volatility of the index or formula applicable to your Notes;
- the method of calculating the principal, premium and interest in respect of your Notes;
- the time remaining to the maturity of your Notes;
- the outstanding amount of the applicable series of Notes;
- any redemption features of your Notes;
- the amount of other debt securities linked to the index or formula applicable to your Notes; and
- the level, direction and volatility of market interest rates generally.

There may be a limited number of buyers if you decide to sell your Notes. This may affect the price you receive for your Notes or your ability to sell your Notes at all. In addition, Notes that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed. You should not purchase Notes unless you understand and know you can bear all of the investment risks involving your Notes.

*Foreign Currency Notes are subject to exchange rate and exchange control risks*

If you invest in Notes that are denominated and/or payable in a currency other than U.S. dollars, which we refer to in this Prospectus as Foreign Currency Notes, you will be subject to significant risks not associated with an investment in a debt security denominated and payable in U.S. dollars. These risks include the possibility of material changes in the exchange rate between U.S. dollars and the applicable foreign currency and the imposition or modification of exchange controls by the applicable governments. We have no control over the factors that generally affect these risks, including economic, financial and political events and the supply and demand for the applicable currencies. Moreover, if payments on your Foreign Currency Notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been highly volatile and volatility between these currencies or with other currencies may be expected in the future. Fluctuations between currencies in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depreciation of your payment currency would result in a decrease (1) in the U.S. dollar equivalent yield of your Foreign Currency Notes, (2) in the U.S. dollar equivalent value of the principal and any premium payable at maturity or any earlier redemption of your Foreign Currency Notes and (3) generally, in the U.S. dollar equivalent market value of your Foreign Currency Notes.

Governmental exchange controls could affect exchange rates and the availability of the payment currency for your Foreign Currency Notes on a required payment date. Even if there are no exchange controls, it is possible that your payment currency will not be available on a required payment

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date for circumstances beyond our control. In these cases, we will be allowed to satisfy our obligations in respect of your Foreign Currency Notes in U.S. dollars.

*Ratings of our program and any rated series of Notes may not reflect all risks of an investment in the Notes*

In the event that a specific series of Notes is rated by a rating agency, the ratings of such Notes will primarily reflect the financial strength of Allstate Life and will change in accordance with the rating of Allstate Life's financial strength and claims paying ability and with any change in the priority status under Illinois law of funding agreements. Any rating is not a recommendation to purchase, sell or hold any particular security, including the Notes. Such ratings do not comment as to market price or suitability for a particular investor. In addition, there can be no assurance that a rating will be maintained for any given period of time or that a rating will not be lowered or withdrawn in its entirety. The ratings of our medium term note program and any rated series of Notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, your Notes.

### **Risk Factor Relating to the Collateral**

*The Funding Agreements are unsecured obligations of Allstate Life*

The primary assets of each series of the Trust will be Funding Agreements, and payments on the Notes of a series will principally depend on payments under each related Funding Agreement. In addition, we will grant a security interest in, pledge and collaterally assign each Funding Agreement we acquire with the proceeds from the offering of a series of Notes together with the related Collateral to the Indenture Trustee, on behalf of the Note holders, to secure our obligations under that series of Notes.

The Funding Agreements are unsecured obligations of Allstate Life and, in the event of Allstate Life's insolvency, will be subject to the provisions of the Illinois Insurance Code, 215 ILCS §§ 5/1 et seq. (which we refer to in this Prospectus as the Illinois Insurance Code), particularly those contained in the Illinois Rehabilitation, Liquidation, Conservation and Dissolution of Companies Act (which we refer to in this Prospectus as the Liquidation Act), which establish the priority of claims from the estate of an insolvent Illinois insurance company. Lord, Bissell & Brook, Illinois insurance insolvency counsel of Allstate Life, has opined that, although the matter is by no means free from doubt, subject to the limitations, qualifications and assumptions set forth in its opinion letter, in a properly prepared and presented case, a court applying Illinois law should conclude that each Funding Agreement is properly characterized as an "annuity" under the Illinois Insurance Code. Therefore, in a properly prepared and presented case, a court applying Illinois law should conclude that in a delinquency proceeding under the Illinois Insurance Code, the timely and properly filed claims of an owner under the Funding Agreement are entitled to distribution *pari passu* with claims made by Allstate Life's other policyholders, beneficiaries and insureds under insurance policies and insurance contracts issued by Allstate Life, and the claims of the Illinois Life and Health Insurance Guaranty Association, and any similar organization in another state, in accordance with the Liquidation Act; and that an owner's claim under the Funding Agreement would not be recharacterized as other than the claim of a policyholder, beneficiary or insured under an insurance policy or insurance contract.

The term "annuity" is used in several sections of the Illinois Insurance Code but is not defined therein. In the absence of any controlling judicial precedents, the opinion of Lord, Bissell & Brook is based upon a reasoned application of judicial decisions involving similar or analogous circumstances. Investors should note, however, that, in the event of the insolvency of an insurance company, the judicial analysis of issues relating to the distribution of its general assets has typically proceeded on a case-by-case basis, with the court's determination, in most instances, strongly influenced by the facts and circumstances of the particular case.

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## **DESCRIPTION OF THE ISSUER**

In this section we provide a summary description of the material provisions of the Trust Agreement, dated as of June 24, 2002, executed by Wilmington Trust Company, whom we refer to in this Prospectus as the Delaware Trustee, and AMACAR Pacific Corp., whom we refer to in this Prospectus as the Trust Beneficial Owner, and the Certificate of Trust filed with the Secretary of State of the State of Delaware on June 24, 2002. We do not restate these documents in their entirety and we urge you to read the actual documents.

### **General**

We are a statutory trust created under the laws of the State of Delaware pursuant to the Trust Agreement and the filing of the Certificate of Trust. We exist for the exclusive purposes of:

- issuing and selling discrete series of Notes to investors;
- using the net proceeds from the sale of each series of Notes to acquire one or more Funding Agreements from Allstate Life; and
- engaging in other activities necessary or incidental thereto.

Our principal executive offices are located at Allstate Life Global Funding, c/o: AMACAR Pacific Corp., 6525 Morrison Boulevard, Suite 318, Charlotte, North Carolina 28211 and our telephone number is (704) 365-0569.

### **We are Organized in Series**

The Trust Agreement provides that we will be organized in series, as permitted by Sections 3804 and 3806(b) of the Delaware Statutory Trust Act (the "Trust Act").

In connection with each series of the Notes, we will:

- create a separate series of the Trust pursuant to a supplement to the Trust Agreement;

- issue and sell the Notes through and with respect to the applicable series of the Trust; and
- acquire each related Funding Agreement from Allstate Life and the other components of the Collateral through and with respect to the applicable series of the Trust. See "Description of the Notes—Collateral."

Accordingly, the applicable series of Notes and the liabilities, obligations and expenses related to such series of Notes will constitute debt, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the applicable series of the Trust. The Collateral will be the assets of, and associated with, such series of the Trust.

Although the applicable series of the Trust will not be a separate legal entity, the Trust Act provides that, if we comply with all applicable statutory requirements, the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular series of the Trust will be enforceable only against the assets of such series of the Trust and not against our assets generally or the assets of any other series of the Trust. In addition, under the Trust Act, unless otherwise provided in the Trust Agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to us generally or any other series of the Trust will be enforceable against the assets of such series of the Trust. Notice of this limitation on liabilities of each series of the Trust is set forth in the Certificate of Trust.

### **Our Delaware Trustee and Administrator**

Pursuant to the Trust Agreement, Wilmington Trust Company is acting as our sole Delaware Trustee. The Delaware Trustee, on our behalf, entered into an administrative services agreement, as amended or modified from time to time, dated as of June 27, 2002 (the "Administrative Services Agreement"), with AMACAR Pacific Corp., in its capacity as our Administrator generally and with respect to each series of the Trust. As provided in the Administrative Services Agreement, the Administrator will be responsible for various administrative functions relating to our business generally and with respect to each series of the Trust.

### **Our Trust Beneficial Owner and Series Beneficial Owner**

The Trust Beneficial Owner's only interest in us is the amount invested in the Trust and any other assets of the Trust not specifically allocated to a particular series of the Trust. After the payment in full to the holders of a series of Notes of all amounts required to be paid to them and the satisfaction of all other expenses and liabilities of the relevant series of the Trust, The American National Red Cross, whom we refer to in this Prospectus as the Series Beneficial Owner, will be entitled to receive any remaining assets of the relevant series of the Trust and any other remaining assets of the Trust not allocated to a specific series of the Trust. As such, the Series Beneficial Owner will be the sole "beneficial owner" of each series of the Trust (as defined and used in Sections 3801(b) and 3806(b)(2) of the Trust Act). Neither the investment by the Trust Beneficial Owner nor any investment by the Series Beneficial Owner will be secured by the Collateral relating to any series of Notes.

### **No Affiliation**

None of Allstate Life or any of its officers, directors, subsidiaries or affiliates owns any beneficial interest in us nor has any of these persons or entities entered into any agreement with us other than:

- a name licensing agreement pursuant to which, among other things, Allstate Insurance Company has granted to us a non-exclusive license to use the name "Allstate" as provided therein in connection with this medium term note program;
- the Funding Agreement Purchase Letter which, among other things, provides the terms and conditions relating to our purchase of one or more Funding Agreements from Allstate Life in connection with the issue and sale of each series of Notes;
- the Support and Expenses Agreement dated as of June 27, 2002, between us and Allstate Life, pursuant to which Allstate Life has agreed to indemnify us with respect to all Support Obligations (as defined below); and
- the documents contemplated by this medium term note program in connection with the issue and sale of each series of Notes.

In this Prospectus we refer to any and all of our costs, losses, damages, claims, actions, suits, expenses (including the reasonable fees and expenses of counsel), disbursements, taxes, penalties and liabilities of any kind or nature except the Excluded Amounts (as defined below) as the Support Obligations.

We use the term Excluded Amounts to mean the following:

- any obligation we have to make any payment to any holder in accordance with the terms of the Notes;

- any obligation or expense of ours to the extent that such obligation or expense has actually been paid utilizing funds available to us from payments under the applicable Funding Agreement;
- any cost, loss, damage, claim, action, suit, expense, disbursement, tax, penalty and liability of any kind or nature whatsoever resulting from or relating to any insurance regulatory or other governmental authority asserting that:
  - the Notes are, or are deemed to be, participations in the Funding Agreements or contracts of insurance, or
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the offer, purchase, sale and/or transfer of the Notes constitute the conduct of the business of insurance or reinsurance in any jurisdiction or require us or any holder to be licensed as an insurer, insurance agent or broker in any jurisdiction;

- any obligation of ours to pay additional amounts to indemnify any holder against potential withholding tax liabilities; and
- any cost, loss, damage, claim, action, suit, expense, disbursement, tax, penalty and liability of any kind or nature whatsoever resulting from or relating to the acts or failures to act of any service provider to the extent that such service provider would not be entitled to indemnification or payment from us in connection with any such act or failure to act pursuant to the terms of any arrangements between us and such service provider on the date of the Support and Expenses Agreement.

Neither Allstate Life nor any of its officers, directors, subsidiaries or affiliates is affiliated with the Delaware Trustee, the Trust Beneficial Owner, the Series Beneficial Owner, the Administrator or the Indenture Trustee.

#### **Our Records and Financial Statements**

As required by the Trust Act, we will:

- maintain separate and distinct records for each series of the Trust; and
- hold and account for the assets associated with each such series of the Trust separately from our other assets, including the assets of each of our other series.

Delaware law does not require that we generally or with respect to any series of the Trust prepare financial statements. Accordingly, no financial statements have been or will be prepared with respect to us generally or with respect to any series of the Trust. Each Pricing Supplement will set forth our capitalization, as anticipated immediately following the closing of the sale of the relevant series of Notes.

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#### **DESCRIPTION OF ALLSTATE LIFE**

Allstate Life was incorporated in 1957 as a stock life insurance company under the laws of the State of Illinois. It conducts substantially all of its life insurance operations directly or through its wholly owned life insurance subsidiaries. It is a wholly owned subsidiary of Allstate Insurance Company, a stock property-liability insurance company incorporated under the laws of the State of Illinois. All of the outstanding stock of Allstate Insurance Company is owned by The Allstate Corporation, a publicly owned holding company incorporated under the laws of the State of Delaware.

The Allstate Corporation, together with its subsidiaries, is the second largest personal property and casualty insurer in the United States on the basis of 2001 statutory premiums earned. Widely known through the "You're In Good Hands With Allstate®" slogan, The Allstate Corporation, through its subsidiaries, provides insurance products to more than 16 million households and has approximately 12,500 exclusive agents and financial specialists in the U.S. and Canada.

Allstate Life's operations are divided into two business segments: Retail and Structured Financial Products. The Retail segment offers a diversified group of products to meet consumers lifetime needs in the areas of protection and retirement solutions through a variety of distribution channels. The Retail segment offers protection products, which consist of life insurance products and other insurance products, and retirement products, otherwise referred to as investment products. Life insurance products include: term life, whole life, credit life, universal life, variable life, variable universal life and single premium life. Other insurance products include long-term care, accidental death, hospital indemnity and credit disability. Investment products include fixed deferred annuities (including market value adjusted annuities, equity-indexed annuities and treasury-linked annuities), immediate annuities, and variable annuities. Retail products are sold through a variety of distribution channels including Allstate agencies, financial services firms, independent agent broker/dealers including master brokerage agencies and direct marketing. The Structured Financial Products segment offers a variety of spread-based and fee-based products to qualified investment buyers, special purpose entities ("SPEs") and others. Spread-based products are designed to generate income based on the difference ("spread") between investment returns on the supporting assets and the guaranteed returns provided to customers. Fee-based products are designed to generate income based on various fees or charges assessed against the account values. Spread-based products provide guaranteed rates of return to customers. Fee-based products provide only a limited guarantee to customers. Spread-based products include guaranteed investment contracts ("GICs") and funding agreements. Synthetic GICs are the primary fee-based product offered by the segment. These products are sold to qualified investment buyers. Funding agreements are sold to SPEs issuing medium-term notes, through specialized brokers, including consultants and financial intermediaries. Structured Financial Products include fixed annuity investment products such as single premium structured settlement annuities sold through brokers who specialize in settlement of injury and other liability cases and other immediate annuities.

Allstate Life's life insurance in force, net of reinsurance, was \$221 billion at December 31, 2001 and \$218 billion at December 31, 2000. As of December 31, 2001 and 2000, respectively, Allstate Life's total invested assets in its general account were \$44 billion and \$39 billion, and in its Separate Accounts assets were \$14 billion and \$15 billion, respectively. In 2001 and 2000, investment products represented 85% and 87% of Allstate Life's total statutory premiums and deposits of \$10 billion and \$12 billion, respectively. Net income for 2001 and 2000 was \$368 million and \$470 million, respectively.

Allstate Life's principal executive offices are located at 3100 Sanders Road, Northbrook, Illinois 60062 and its telephone number is (847) 402-5000.

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#### **RATIO OF EARNINGS TO FIXED CHARGES**

The following table shows the ratio of earnings to fixed charges for Allstate Life and its subsidiaries for the periods indicated:

For the

Year Ended December 31,

**Nine Months  
Ended  
September 30,**

	2002	2001	2000	1999	1998	1997
Ratio of earnings to fixed charges before dividends on redeemable preferred securities and interest credited to contractholder funds(1)	136.5x	139.3x	178.8x	193.5x	105.8x	125.2x
Ratio of earnings to fixed charges before interest credited to contractholder funds(2)(3)	55.2x	24.0x	30.6x	36.0x	34.5x	36.5x
Ratio of earnings to fixed charges(2)(4)(5)	1.2x	1.3x	1.5x	1.6x	1.7x	1.6x

- (1) For the purposes of this computation, earnings consist of income from continuing operations before income taxes and the cumulative effect of change in accounting principle plus fixed charges. Fixed charges consist of the interest factor of annual rental expense.
- (2) Allstate Life has authority to issue up to 3,000,000 shares of non-voting preferred stock, par value \$100.00 per share. There are currently 1,035,610 shares of redeemable preferred stock issued and outstanding. Allstate Life is obligated to pay a dividend on those preferred shares.
- (3) For the purposes of this computation, earnings consist of income from continuing operations before income taxes and the cumulative effect of change in accounting principle plus fixed charges. Fixed charges consist of the interest factor of annual rental expense and the dividends on redeemable preferred securities.
- (4) For the purposes of this computation, earnings consist of income from continuing operations before income taxes and the cumulative effect of change in accounting principle plus fixed charges. Fixed charges consist of the interest factor of annual rental expense, the dividends on redeemable preferred securities and the interest credited to contractholder funds.
- (5) Allstate Life continues to sell asset accumulation products that credit interest to the contractholder. This results in a negative impact on the ratio of earnings to fixed charges because the effect of increases in interest credited to contractholders more than offsets the effect of the increases in earnings.

#### USE OF PROCEEDS

For each offering of series of Notes, we will establish a separate series of the Trust. We will use the net proceeds from the offering of each series of Notes to purchase one or more Funding Agreements and related Collateral. Allstate Life intends to use the net proceeds from the sale to us of Funding Agreements to purchase investment assets which Allstate Life expects will generate investment income in excess of amounts payable under the Funding Agreements.

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#### DESCRIPTION OF THE NOTES

In this section we provide a summary description of the material provisions of the Notes and the indenture, dated as of • , 2002 (as amended or modified from time to time, the "Indenture"). We do not restate them in their entirety and we urge you to read the actual provisions because those provisions, and not this description, define your rights as an owner of an interest in the Notes. The terms and conditions of the Notes described in this section will apply to each series of Notes, except that we will add the specific terms of a series of Notes and may modify or replace any of the information provided in this section in the applicable Pricing Supplement and each Global Security and Certificated Note (each, a "Note Certificate") representing the Notes of such series. It is important for you to consider the information contained in this Prospectus, the Indenture, the applicable Pricing Supplement and the Note Certificates in making your investment decision.

This section describes some technical concepts, and we occasionally use defined terms. You should refer to the Indenture and the form of Note Certificates filed as exhibits to the registration statements to which this Prospectus relates for the full definition of technical terms used in this Prospectus and those capitalized terms which we use but do not define in this Prospectus.

#### General

##### *Indenture*

We will issue the Notes in one or more series, subject to and entitled to the benefits of the Indenture. The Indenture is subject to, and governed by, the Trust Indenture Act of 1939, as amended. The aggregate principal amount of Notes that may be authenticated and delivered under the Indenture is unlimited.

##### *Collateral*

Pursuant to the Indenture, each Funding Agreement will be assigned by series to the Indenture Trustee on behalf of the holders of the Notes issued by that series. Also, each series of Notes will be secured by a first priority perfected security interest in the "Collateral" which will consist of:

- the relevant Funding Agreement(s) owned by the relevant series;
- all proceeds of the relevant Funding Agreement(s);
- all books and records pertaining to the relevant Funding Agreement(s); and
- all rights of the relevant series pertaining to the foregoing.

##### *Tranche of Notes*

Each series of Notes may be comprised of one or more tranches issued on different issue dates within a six month period. The Notes of each series will all be subject to identical terms, except that the issue date, the issue price, the amount of the first payment of interest and denomination size may be different in respect of different tranches.

### *Ranking*

The Notes will be our secured and unsubordinated obligations and will rank equally among themselves, with each other series of Notes and with respect to all of our other present and future secured and unsubordinated obligations, except for any of our other obligations which are preferred by mandatory provisions of law.

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### *Pricing Supplement*

A Pricing Supplement will specify the terms of any issuance of Notes that are not specified in this Prospectus.

### *Pricing Options*

Notes that bear interest will either be Fixed Rate Notes or Floating Rate Notes, as specified in the applicable Pricing Supplement. We may also issue Discount Notes, Indexed Notes and Amortizing Notes, as specified in the applicable Pricing Supplement.

Interest rates that we offer on the Notes may differ depending upon, among other factors, the aggregate principal amount of Notes purchased in any single transaction as well as market conditions. Notes with different variable terms other than interest rates may also be offered concurrently to different investors. We may change interest rates or formulas and other terms of Notes from time to time, but no change of terms will affect any Note we have previously issued or as to which we have accepted an offer to purchase.

### *Maturities*

Each series of Notes will mature on a day nine months or more from its date of issue (the "Stated Maturity Date"), as specified in the applicable Pricing Supplement, unless its principal (or, any installment of its principal) becomes due and payable prior to the Stated Maturity Date, whether, as applicable, by the declaration of acceleration of maturity, notice of redemption at our option, notice of the registered holder's option to elect repayment or otherwise (we refer to the Stated Maturity Date or any date prior to the Stated Maturity Date on which the particular series of Notes becomes due and payable, as the case may be, as the "Maturity Date" with respect to the principal of such series of Notes repayable on that date).

### *Currency*

Unless otherwise specified in the applicable Pricing Supplement, the Notes of a series will be denominated in, and payments of principal, premium, if any, and/or interest or other amounts, if any, in respect thereof will be made in, United States dollars. Each series of Notes also may be denominated in, and payments of principal, premium, if any, and/or interest or other amounts, if any, in respect thereof may be made in, one or more foreign currencies. See "Special Provisions Relating to Foreign Currency Notes—Payment of Principal, Premium, if any, and Interest, if any." The currency in which a particular series of Notes is denominated (or, if that currency is no longer legal tender for the payment of public and private debts in the country issuing that currency or, in the case of Euro, in the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, the currency which is then legal tender in the related country or in the adopting member states of the European Union, as the case may be) is referred to as the "Specified Currency" with respect to such series of Notes. References to "United States dollars", "U.S. dollars" or "\$" are to the lawful currency of the United States of America and references to "Euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to such Treaty, as amended.

You will be required to pay for your Notes in the Specified Currency. At the present time, there are limited facilities in the United States for the conversion of United States dollars into foreign currencies and vice versa, and commercial banks do not generally offer non-United States dollar checking or savings account facilities in the United States. The Agent from or through which a Foreign Currency Note is purchased may be prepared to arrange for the conversion of United States dollars into the Specified Currency in order to enable you to pay for your Foreign Currency Note, provided that you make a request to that Agent on or prior to the fifth Business Day (as defined below)

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preceding the date of delivery of the particular Foreign Currency Note, or by any other day determined by that Agent. Each conversion will be made by an Agent on the terms and subject to the conditions, limitations and charges as that Agent may from time to time establish in accordance with its regular foreign exchange practices. You will be required to bear all costs of exchange in respect of your Foreign Currency Note. See "Special Provisions Relating to Foreign Currency Notes."

We may (if so specified in the applicable Pricing Supplement) without the consent of the holders of any Note or coupon, redenominate all, but not less than all, of the Notes of any series on or after the date on which the member state of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union as more fully set out in the applicable Pricing Supplement.

### *Form of Notes; Denominations*

We will issue each Note as a Book-Entry Note represented by one or more fully registered Global Securities or as a fully registered Certificated Note. Unless otherwise specified in the applicable Pricing Supplement, the minimum denominations of each Note other than a Foreign Currency Note will be \$1,000 and integral multiples of \$1,000, while the minimum denominations of each Foreign Currency Note will be specified in the applicable Pricing Supplement.

### *Transfers and Exchanges*

Book-Entry Notes may be transferred or exchanged only through the Depository (defined below). See "—Book-Entry Notes." Registration of transfer or exchange of Certificated Notes will be made at the office or agency maintained by us for this purpose in the Borough of Manhattan, The City of New York, which is currently the corporate trust office of the Indenture Trustee. No service charge will be imposed for any such registration of transfer or exchange of Notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith (other than certain exchanges not involving any transfer).

#### *Listing*

Any series of Notes may be listed on a securities exchange as indicated in the applicable Pricing Supplement.

#### *Reopenings*

We may, within six months following the date of issue of a series of Notes, in order to create larger, more liquid issues and without the consent of the registered holders of the Notes, issue additional tranches of Notes having the same terms as previously issued Notes (other than the date of issuance, denomination size and the offering price, all of which may vary) that will form a single series with the previously issued Notes. We may only issue additional tranches of Notes if Allstate Life may issue supplemental Funding Agreements to us in accordance with the terms of the original Funding Agreement issued to the relevant series.

#### *Payments*

We will make payments of principal of, and premium, if any, and interest and other amounts due and owing, if any, on Book-Entry Notes through the Indenture Trustee to the account of the Depository or its nominee. See "—Book-Entry Notes." In the case of Certificated Notes, we will make payments of principal of, and premium, if any, and interest and other amounts due and owing, if any, on the Maturity Date in immediately available funds upon presentation and surrender thereof (and, in the case of any repayment on an Optional Repayment Date, upon submission of a duly completed election form if and as required by the provisions described below) at the office or agency maintained

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by us for this purpose in the Borough of Manhattan, The City of New York, currently the paying agency office of the Indenture Trustee located at 55 Water Street, 1st Floor, Jeanette Park Entrance, New York, New York 10041. We will make payments of interest and other amounts due and owing, if any, on the Maturity Date of a Certificated Note to the person to whom payment of the principal thereof and premium, if any, thereon shall be made. We will make payments of interest and other amounts due and owing, if any, on a Certificated Note on any Interest Payment Date (as defined below) other than the Maturity Date by check mailed to the address of the registered holder entitled thereto appearing in the Note Register. Notwithstanding the foregoing, we will make payments of interest and other amounts due and owing, if any, on any Interest Payment Date other than the Maturity Date to each registered holder of \$10,000,000 (or, if the Specified Currency is other than United States dollars, the equivalent thereof in the particular Specified Currency) or more in aggregate principal amount of Certificated Notes (whether having identical or different terms and provisions) by wire transfer of immediately available funds if the applicable registered holder has delivered appropriate wire transfer instructions in writing to the Indenture Trustee not less than 15 days prior to the particular Interest Payment Date. Any wire transfer instructions received by the Indenture Trustee shall remain in effect until revoked by the applicable registered holder. For special payment terms applicable to Foreign Currency Notes, see "Special Provisions Relating to Foreign Currency Notes—Payment of Principal, Premium, if any, and Interest, if any."

#### *Business Day*

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York; provided, however, that, with respect to Foreign Currency Notes, the day must also not be a day on which commercial banks are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (or, if the Specified Currency is Euro, the day must also be a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open); provided, further, that, with respect to Notes as to which LIBOR is an applicable Interest Rate Basis, the day must also be a London Banking Day (as defined below). "London Banking Day" means a day on which commercial banks are open for business (including dealings in the LIBOR Currency (as defined below)) in London.

#### *Principal Financial Center*

"Principal Financial Center" means, as applicable:

- the capital city of the country issuing the Specified Currency; or
- the capital city of the country to which the LIBOR Currency relates;

provided, however, that with respect to United States dollars, Australian dollars, Canadian dollars, Portuguese escudos, South African rand and Swiss francs, the "Principal Financial Center" shall be The City of New York, Sydney, Toronto, London (solely in the case of the LIBOR Currency), Johannesburg and Zurich, respectively.

#### **Withholding Tax and Payment of Additional Amounts**

All amounts due in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, levies, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of any governmental authority in the United States having the power to tax on payments on the Notes unless the withholding or deduction is required by law.

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Unless we otherwise specify in the applicable Pricing Supplement, we will not pay any additional amounts ("Additional Amounts") to holders of any series of Notes in the event that any withholding or deduction is so required by law, regulation or official interpretation thereof, and the imposition of a

requirement to make any such withholding or deduction will not give rise to any independent right or obligation to redeem the Notes of such series.

If we so specify in the applicable Pricing Supplement, we will pay, or cause to be paid, Additional Amounts to non-U.S. Holders to compensate for any withholding or deduction for or on account of any present or future taxes, duties, levies, assessments or governmental charges of whatever nature imposed or levied on payments on the Notes by or on behalf of any governmental authority in the United States having the power to tax, so that the net amount received by the holders of the Notes, after giving effect to such withholding or deduction, whether or not currently payable, will equal the amount that would have been received under the Notes were no such deduction or withholding required; provided that no such Additional Amounts shall be required for or on account of:

- any tax, duty, levy, assessment or other governmental charge imposed which would not have been imposed but for a holder or beneficial owner of one or more of the Notes,
  - having any present or former connection with the United States, including, without limitation, being or having been a citizen or resident thereof, or having been present, having been incorporated in, having engaged in a trade or business or having (or having had) a permanent establishment or principal office therein,
  - being a controlled foreign corporation (within the meaning of Section 957(a) of the Internal Revenue Code of 1986, as amended (the "Code")) related (within the meaning of Code Section 864(d)(4)) to Allstate Life,
  - being an actual or constructive owner of 10 percent or more of the total combined voting power of all classes of stock of Allstate Life entitled to vote,
  - being a bank for United States federal income tax purposes whose receipt of interest on the Note is described in Section 881(c)(3)(A) of the Code, or
  - being subject to backup withholding as of the date of the purchase by the holder of the Note;
- any tax, duty, levy, assessment or other governmental charge which would not have been imposed but for the presentation of the Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment becomes due and payable or the date on which payment is duly provided for, whichever occurs later;
- any tax, duty, levy, assessment or other governmental charge which is imposed or withheld solely by reason of the failure of the holder or beneficial owner of a Note to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such Note, if compliance is required by statute, by regulation of the United States Treasury Department, judicial or administrative interpretation, other law or by an applicable income tax treaty to which the United States is a party as a condition to exemption from such tax, duty, levy, assessment or other governmental charge;
- any inheritance, gift, estate, personal property, sales, transfer or similar tax, duty, levy, assessment, or similar governmental charge;
- any tax, duty, levy, assessment, or other governmental charge that is payable otherwise than by withholding from payments in respect of the Notes;
- any tax, duty, levy, assessment or governmental charge imposed by reason of payments on the Notes being treated as contingent interest described in Section 871(h)(4) of the Code;

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- any tax, duty, levy, assessment or governmental charge that would not have been imposed but for an election by the holder of the Notes, the effect of which is to make one or more payments in respect of the Notes subject to United States federal income tax or withholding tax provisions; or
  - any combination of the items described in the bullets above.

The European Union is currently considering proposals for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that European Union Member States will be required to provide to the tax authorities of another European Union Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other European Union Member State, subject to the right of certain European Union Member States to opt instead for a withholding system for a transitional period in relation to such payments. For the avoidance of doubt, should any deduction or withholding on account of tax be required to be made, or be made, pursuant to the European Union directive, no Additional Amounts shall be payable or paid by us.

#### **Security; Limited Recourse**

The Notes will solely be the obligations of the relevant series of the Trust, and will not be guaranteed by any person, including but not limited to Allstate Life, any Agent, any of their affiliates or any other series of the Trust. Our obligations under each series of Notes will be secured by all of our rights and title in one or more Funding Agreements issued by Allstate Life and other rights and assets included in the applicable Collateral of the relevant series of the Trust.

Since Allstate Life will be the sole obligor under the Funding Agreements, our ability to meet our obligations, and your ability to receive payments from us, with respect to a particular series of Notes, will be principally dependent upon Allstate Life's ability to perform its obligations under each applicable Funding Agreement held by the relevant series of the Trust. Despite this, you will have no direct contractual rights against Allstate Life under any such Funding Agreement. Pursuant to the terms of each Funding Agreement, recourse rights to Allstate Life will belong to us, our successors and our permitted assignees, but only with respect to the relevant series of the Trust. In connection with the offering and sale of a series of Notes, we will pledge, collaterally assign and grant a first priority perfected security interest in the Collateral for such series of Notes to the Indenture Trustee on behalf of the holder of Notes. Accordingly, recourse to Allstate Life under each such Funding Agreement will be enforceable only by the Indenture Trustee as a secured party on behalf of holders of such series of Notes.

## **Optional Redemption; No Sinking Fund**

If an Initial Redemption Date is specified in the applicable Pricing Supplement, we may redeem the particular series of Notes prior to its Stated Maturity Date at our option on any date on or after that Initial Redemption Date in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified in the applicable Pricing Supplement (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto), at the applicable Redemption Price (as defined below), together with unpaid interest accrued thereon to the date of redemption. We must give written notice to the holders of the particular series of Notes to be redeemed at our option not more than 75 nor less than 30 calendar days prior to the date of redemption. "Redemption Price", with respect to a series of Notes, means an amount equal to the Initial Redemption Percentage specified in the applicable Pricing Supplement (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount thereof to be redeemed. The Initial Redemption Percentage, if any, applicable to a series of Notes shall decline at each anniversary of the Initial Redemption Date by an

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amount equal to the applicable Annual Redemption Percentage Reduction, if any, until the Redemption Price is equal to 100% of the unpaid amount thereof to be redeemed. For a discussion of the redemption of Discount Notes, see "—Discount Notes."

No series of Notes will be subject to, or entitled to the benefit of, any sinking fund unless otherwise indicated in the Pricing Supplement.

## **Optional Tax Event Redemption**

If under the applicable Pricing Supplement we are required at any time to pay Additional Amounts or if we are obligated to withhold or deduct any United States taxes with respect to any payment under the Notes or if there is a material probability that we will become obligated to withhold or deduct any such United States taxes or otherwise pay Additional Amounts (in the opinion of independent legal counsel selected by Allstate Life), in each case pursuant to any change in or amendment to any United States tax laws (or any regulations or rulings thereunder) or any change in position of the Internal Revenue Service regarding the application or interpretation thereof (including, but not limited to, Allstate Life's or our receipt of a written adjustment from the Internal Revenue Service in connection with an audit) (a "Tax Event"), then Allstate Life, pursuant to the terms of the relevant Funding Agreement, may terminate the relevant Funding Agreement. If Allstate Life terminates the relevant Funding Agreement, we will redeem the particular series of Notes for the outstanding principal of and any accrued but unpaid interest on their Notes, or such other amount which is specified in the Pricing Supplement for such Notes by giving not less than 30 and no more than 75 days prior written notice to the holders of Notes, provided that no such notice of termination may be given earlier than 90 days prior to the earliest day when we would become obligated to pay such Additional Amounts were a payment in respect of the Notes then due.

## **Repayment at the Option of the Holder**

A series of Notes may permit, upon the terms and subject to the limitations set forth in the applicable Pricing Supplement, redemption at the option of persons designated in the applicable Pricing Supplement upon the death of a holder of such Notes. If one or more series of Notes provides for such optional redemption, the persons designated in the applicable Pricing Supplement may require us to repay the Notes of such series prior to their Stated Maturity Date in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified in the applicable Pricing Supplement (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto), at a repayment price equal to 100% of the unpaid principal amount thereof to be repaid, together with unpaid interest accrued thereon to the date of repayment. Exercise of the repayment option will be irrevocable. For a discussion of the repayment of Discount Notes, see "—Discount Notes."

If applicable, we will comply with the requirements of Section 14(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules promulgated thereunder, and any other securities laws or regulations in connection with any repayment of Notes at the option of the holders thereof.

## **Repurchase of Notes**

We or Allstate Life may at any time purchase Notes at any price or prices in the open market or otherwise. Notes so purchased by us or Allstate Life may, at our or Allstate Life's discretion, be held or resold and Notes purchased by us may be surrendered to the Indenture Trustee for cancellation.

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## **Interest**

Each interest-bearing series of Notes will bear interest from its date of issue at the rate per annum, in the case of Fixed Rate Notes, or pursuant to the interest rate formula, in the case of Floating Rate Notes, in each case as specified in the applicable Pricing Supplement, until the principal thereof is paid. We will make interest payments in respect of each series of Fixed Rate Notes and each series of Floating Rate Notes in an amount equal to the interest accrued from and including the immediately preceding Interest Payment Date in respect of which interest has been paid or from and including the date of issue, if no interest has been paid, to but excluding the applicable Interest Payment Date or the Maturity Date, as the case may be (each, an "Interest Period").

Interest on each series of Fixed Rate Notes and each series of Floating Rate Notes will be payable in arrears on each Interest Payment Date and on the Maturity Date. The first payment of interest on any series of Notes originally issued between a Record Date (as defined below) and the related Interest Payment Date will be made on the Interest Payment Date immediately following the next succeeding Record Date to the registered holder on the next succeeding Record Date. The "Record Date" shall be the fifteenth calendar day, whether or not a Business Day, immediately preceding the related Interest Payment Date.

## **Fixed Rate Notes**

Interest on each series of Fixed Rate Notes will be payable on the date(s) specified in the applicable Pricing Supplement (each, an "Interest Payment Date" with respect to a series of Fixed Rate Notes) and on the Maturity Date. Interest on each series of Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the Maturity Date of a series of Fixed Rate Notes falls on a day that is not a Business Day, we will make the required payment of principal, premium, if any, and/or interest or other amounts on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

### **Floating Rate Notes**

Interest on each series of Floating Rate Notes will be determined by reference to the applicable Interest Rate Basis or Interest Rate Bases, which may, as described below, include:

- the CD Rate,
- the CMT Rate,
- the Commercial Paper Rate,
- the Eleventh District Cost of Funds Rate,
- the Federal Funds Rate,
- LIBOR,
- the Prime Rate,
- the Treasury Rate, or
- any other Interest Rate Basis or interest rate formula as may be specified in the applicable Pricing Supplement.

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The applicable Pricing Supplement will specify certain terms of the particular series of Floating Rate Notes, including:

- whether the Floating Rate Note is:
  - a "Regular Floating Rate Note",
  - a "Floating Rate/Fixed Rate Note" or
  - an "Inverse Floating Rate Note",
- the Fixed Rate Commencement Date, if applicable,
- Fixed Interest Rate, if applicable,
- Interest Rate Basis or Bases,
- Initial Interest Rate, if any,
- Interest Reset Dates,
- Interest Payment Dates,
- Index Maturity,
- Maximum Interest Rate and/or Minimum Interest Rate, if any,
- Spread and/or Spread Multiplier, or
- if one or more of the applicable Interest Rate Bases is LIBOR, the LIBOR Currency and LIBOR Page.

The rate derived from the applicable Interest Rate Basis will be determined in accordance with the related provisions below. The interest rate in effect on each day will be based on:

- if that day is an Interest Reset Date, the rate determined as of the Interest Determination Date (as defined below) immediately preceding that Interest Reset Date, or
- if that day is not an Interest Reset Date, the rate determined as of the Interest Determination Date immediately preceding the most recent Interest Reset Date.

The "Spread" is the number of basis points (one one-hundredth of a percentage point) specified in the applicable Pricing Supplement to be added to or subtracted from the related Interest Rate Basis or Bases applicable to a series of Floating Rate Notes. The "Spread Multiplier" is the percentage specified in the

applicable Pricing Supplement of the related Interest Rate Basis or Bases applicable to a series of Floating Rate Notes by which the Interest Rate Basis or Bases will be multiplied to determine the applicable interest rate. The "Index Maturity" is the period to maturity of the instrument or obligation with respect to which the related Interest Rate Basis or Bases will be calculated.

#### *Regular Floating Rate Notes*

Unless a series of Floating Rate Notes is designated as a series of Floating Rate/Fixed Rate Notes or a series of Inverse Floating Rate Notes, or as having an Addendum attached or having Other/Additional Provisions apply, in each case relating to a different interest rate formula, such series of Floating Rate Notes will be a series of Regular Floating Rate Notes and will bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases:

- plus or minus the applicable Spread, if any, and/or
- multiplied by the applicable Spread Multiplier, if any.

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Commencing on the first Interest Reset Date, as specified in the relevant Pricing Supplement, the rate at which interest on a series of Regular Floating Rate Notes is payable will be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the date of issue to the first Interest Reset Date will be the Initial Interest Rate.

#### *Floating Rate/Fixed Rate Notes*

If a series of Floating Rate Notes is designated as a series of Floating Rate/Fixed Rate Notes, such series of Floating Rate Notes will bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases:

- plus or minus the applicable Spread, if any, and/or
- multiplied by the applicable Spread Multiplier, if any.

Commencing on the first Interest Reset Date, the rate at which interest on a series of Floating Rate/Fixed Rate Notes is payable will be reset as of each Interest Reset Date; provided, however, that:

- the interest rate in effect for the period, if any, from the date of issue to the first Interest Reset Date will be the Initial Interest Rate, as specified in the relevant Pricing Supplement; and
- the interest rate in effect commencing on the Fixed Rate Commencement Date will be the Fixed Interest Rate, if specified in the applicable Pricing Supplement, or, if not so specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date.

#### *Inverse Floating Rate Notes*

If a series of Floating Rate Notes is designated as a series of Inverse Floating Rate Notes, such series of Floating Rate Notes will bear interest at the Fixed Interest Rate minus the rate determined by reference to the applicable Interest Rate Basis or Bases:

- plus or minus the applicable Spread, if any, and/or
- multiplied by the applicable Spread Multiplier, if any;

provided, however, that interest on a series of Inverse Floating Rate Notes will not be less than zero. Commencing on the first Interest Reset Date, the rate at which interest on a series of Inverse Floating Rate Notes is payable will be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the date of issue to the first Interest Reset Date will be the Initial Interest Rate.

#### *Interest Reset Dates*

The applicable Pricing Supplement will specify the dates on which the rate of interest on a series of Floating Rate Notes will be reset (each, an "Interest Reset Date"), and the period between Interest Reset Dates will be the "Interest Reset Period". Unless otherwise specified in the Pricing Supplement, the Interest Reset Dates will be, in the case of a series of Floating Rate Notes which reset:

- daily—each Business Day;
- weekly—the Wednesday of each week, with the exception of weekly reset series of Floating Rate Notes as to which the Treasury Rate is an applicable Interest Rate Basis, which will reset the Tuesday of each week;

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- monthly—the third Wednesday of each month, with the exception of monthly reset series of Floating Rate Notes as to which the Eleventh District Cost of Funds Rate is an applicable Interest Rate Basis, which will reset on the first calendar day of the month;
- quarterly—the third Wednesday of March, June, September and December of each year;
- semiannually—the third Wednesday of the two months specified in the applicable Pricing Supplement; and
- annually—the third Wednesday of the month specified in the applicable Pricing Supplement;



provided however, that, with respect to any series of Floating Rate/Fixed Rate Notes, the rate of interest thereon will not reset after the particular Fixed Rate Commencement Date.

If any Interest Reset Date for any series of Floating Rate Notes would otherwise be a day that is not a Business Day, the particular Interest Reset Date will be postponed to the next succeeding Business Day, except that in the case of a series of Floating Rate Notes as to which LIBOR is an applicable Interest Rate Basis and that Business Day falls in the next succeeding calendar month, the particular Interest Reset Date will be the immediately preceding Business Day.

#### *Interest Determination Dates*

The interest rate applicable to a series of Floating Rate Notes for an Interest Reset Period commencing on the related Interest Reset Date will be determined by reference to the applicable Interest Rate Basis as of the particular "Interest Determination Date", which will be:

- with respect to the Commercial Paper Rate, Federal Funds Rate and the Prime Rate—the Business Day immediately preceding the related Interest Reset Date;
- with respect to the CD Rate and the CMT Rate—the second Business Day preceding the related Interest Reset Date;
- with respect to the Eleventh District Cost of Funds Rate—the last working day of the month immediately preceding the related Interest Reset Date on which the Federal Home Loan Bank of San Francisco publishes the Index (as defined below);
- with respect to LIBOR—the second London Banking Day preceding the related Interest Reset Date; and
- with respect to the Treasury Rate—the day in the week in which the related Interest Reset Date falls on which day Treasury Bills (as defined below) are normally auctioned (i.e., Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday); provided, however, that if an auction is held on the Friday of the week preceding the related Interest Reset Date, the Interest Determination Date will be the preceding Friday.

The Interest Determination Date pertaining to a series of Floating Rate Notes the interest rate of which is determined with reference to two or more Interest Rate Bases will be the latest Business Day which is at least two Business Days before the related Interest Reset Date for the applicable Floating Rate Note on which each Interest Reset Basis is determinable.

#### *Calculation Dates*

The Indenture Trustee will be the "Calculation Agent", unless we otherwise specify in the applicable Pricing Supplement. The interest rate applicable to each Interest Reset Period will be determined by the Calculation Agent on or prior to the Calculation Date (as defined below), except

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with respect to LIBOR and the Eleventh District Cost of Funds Rate, which will be determined on the particular Interest Determination Date. Upon request of the registered holder of a series of Floating Rate Notes, the Calculation Agent will disclose the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next succeeding Interest Reset Date with respect to the particular series of Floating Rate Notes. The "Calculation Date", if applicable, pertaining to any Interest Determination Date will be the earlier of:

- the tenth calendar day after the particular Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day; or
- the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be.

#### *Maximum and Minimum Interest Rates*

A series of Floating Rate Notes may also have either or both of the following if specified in the applicable Pricing Supplement:

- a maximum numerical limitation, or ceiling, that may accrue during any Interest Reset Period (a "Maximum Interest Rate"); and
- a minimum numerical limitation, or floor, that may accrue during any Interest Reset Period (a "Minimum Interest Rate").

In addition to any Maximum Interest Rate that may apply to a series of Floating Rate Notes, the interest rate on a series of Floating Rate Notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

#### *Interest Payments*

The applicable Pricing Supplement will specify the dates on which interest on a series of Floating Rate Notes is payable (each, an "Interest Payment Date" with respect to such series of Floating Rate Notes). Unless the Pricing Supplement indicates otherwise, the Interest Payment Dates will be, in the case of a series of Floating Rate Notes which reset:

- daily, weekly or monthly—the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in the applicable Pricing Supplement;
- quarterly—the third Wednesday of March, June, September and December of each year;
- semiannually—the third Wednesday of the two months of each year specified in the applicable Pricing Supplement; and
- annually—the third Wednesday of the month of each year specified in the applicable Pricing Supplement.

In addition, the Maturity Date will also be an Interest Payment Date.

If any Interest Payment Date other than the Maturity Date for any series of Floating Rate Notes would otherwise be a day that is not a Business Day, such Interest Payment Date will be postponed to the next succeeding Business Day, except that in the case of a series of Floating Rate Notes as to which LIBOR is an applicable Interest Rate Basis and that Business Day falls in the next succeeding calendar month, the particular Interest Payment Date will be the immediately preceding Business Day. If the Maturity Date of a series of Floating Rate Notes falls on a day that is not a Business Day, we will make the required payment of principal, premium, if any, and interest or other

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amounts on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655). All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded, in the case of United States dollars, to the nearest cent or, in the case of a foreign currency, to the nearest unit (with one-half cent or unit being rounded upwards).

With respect to each series of Floating Rate Notes, accrued interest is calculated by multiplying the principal amount of such Floating Rate Note by an accrued interest factor. The accrued interest factor is computed by adding the interest factor calculated for each day in the particular Interest Period. The interest factor for each day will be computed by dividing the interest rate applicable to such day by 360, in the case of a series of Floating Rate Notes as to which the CD Rate, the Commercial Paper Rate, the Eleventh District Cost of Funds Rate, the Federal Funds Rate, LIBOR or the Prime Rate is an applicable Interest Rate Basis, or by the actual number of days in the year, in the case of a series of Floating Rate Notes as to which the CMT Rate or the Treasury Rate is an applicable Interest Rate Basis. The interest factor for a series of Floating Rate Notes as to which the interest rate is calculated with reference to two or more Interest Rate Bases will be calculated in each period in the same manner as if only the applicable Interest Rate Basis specified in the applicable Pricing Supplement applied.

The Calculation Agent shall determine the rate derived from each Interest Rate Basis in accordance with the following provisions.

*CD Rate*

"CD Rate" means:

- (1) the rate on the particular Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) (as defined below) under the caption "CDs (secondary market)", or
- (2) if the rate referred to in clause (1) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date for negotiable United States dollar certificates of deposit of the particular Index Maturity as published in H.15 Daily Update (as defined below), or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "CDs (secondary market)", or
- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on that Interest Determination Date, of three leading nonbank dealers in negotiable United States dollar certificates of deposit in The City of New York (which may include the Agents or their affiliates) selected by the Calculation Agent for negotiable United States dollar certificates of deposit of major United States money market banks for negotiable United States certificates of deposit with a remaining maturity closest to the particular Index Maturity in an amount that is representative for a single transaction in that market at that time, or
- (4) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (3), the CD Rate in effect on the particular Interest Determination Date.

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"H.15(519)" means the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

"H.15 Daily Update" means the daily update of H.15(519), available through the world-wide-web site of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/update>, or any successor site or publication.

*CMT Rate*

"CMT Rate" means:

- (1) if CMT Moneyline Telerate Page 7051 is specified in the applicable Pricing Supplement:
  - (a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) under the caption "Treasury Constant Maturities", as the yield is displayed on Moneyline Telerate (or any successor service) on page 7051 (or any other page as may replace the specified page on that service) ("Moneyline Telerate Page 7051"), for the particular Interest Determination Date, or

(b) if the rate referred to in clause (a) does not so appear on Moneyline Telerate Page 7051, the percentage equal to the yield for United States Treasury securities at "constant maturity" having the particular Index Maturity and for the particular Interest Determination Date as published in H.15(519) under the caption "Treasury Constant Maturities", or

(c) if the rate referred to in clause (b) does not so appear in H.15(519), the rate on the particular Interest Determination Date for the period of the particular Index Maturity as may then be published by either the Federal Reserve System Board of Governors or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate which would otherwise have been published in H.15(519), or

(d) if the rate referred to in clause (c) is not so published, the rate on the particular Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on that Interest Determination Date of three leading primary United States government securities dealers in The City of New York (which may include the Agents or their affiliates) (each, a "Reference Dealer"), selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Index Maturity, a remaining term to maturity no more than 1 year shorter than that Index Maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time, or

(e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated, or

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(f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the particular Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on that Interest Determination Date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular Index Maturity, a remaining term to maturity closest to that Index Maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time, or

(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated, or

(h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT Rate in effect on the particular Interest Determination Date.

(2) if CMT Moneyline Telerate Page 7052 is specified in the applicable Pricing Supplement:

(a) the percentage equal to the one-week or one-month, as specified in the applicable Pricing Supplement, average yield for United States Treasury securities at "constant maturity" having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) opposite the caption "Treasury Constant Maturities", as the yield is displayed on Moneyline Telerate (or any successor service) (on page 7052 or any other page as may replace the specified page on that service) ("Moneyline Telerate Page 7052"), for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which the particular Interest Determination Date falls, or

(b) if the rate referred to in clause (a) does not so appear on Moneyline Telerate Page 7052, the percentage equal to the one-week or one-month, as specified in the applicable Pricing Supplement, average yield for United States Treasury securities at "constant maturity" having the particular Index Maturity and for the week or month, as applicable, preceding the particular Interest Determination Date as published in H.15(519) opposite the caption "Treasury Constant Maturities", or

(c) if the rate referred to in clause (b) does not so appear in H.15(519), the one-week or one-month, as specified in the applicable Pricing Supplement, average yield for United States Treasury securities at "constant maturity" having the particular Index Maturity as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which the particular Interest Determination Date falls, or

(d) if the rate referred to in clause (c) is not so published, the rate on the particular Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on that Interest Determination Date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation, or, in

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the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Index Maturity, a remaining term to maturity no more than

1 year shorter than that Index Maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time, or

(e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated, or

(f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the particular Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on that Interest Determination Date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular Index Maturity, a remaining term to maturity closest to that Index Maturity and in a principal amount that is representative for a single transaction in the securities in that market at the time, or

(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated, or

(h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT Rate in effect on that Interest Determination Date.

If two United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable Pricing Supplement have remaining terms to maturity equally close to the particular Index Maturity, the quotes for the United States Treasury security with the shorter original remaining term to maturity will be used.

#### *Commercial Paper Rate*

"Commercial Paper Rate" means:

(1) the Money Market Yield (as defined below) on the particular Interest Determination Date of the rate for commercial paper having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) under the caption "Commercial Paper—Nonfinancial", or

(2) if the rate referred to in clause (1) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Money Market Yield of the rate on the particular Interest Determination Date for commercial paper having the particular Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "Commercial Paper—Nonfinancial", or

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(3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on that Interest Determination Date of three leading dealers of United States dollar commercial paper in The City of New York (which may include the Agents or their affiliates) selected by the Calculation Agent for commercial paper having the particular Index Maturity placed for industrial issuers whose bond rating is "Aa", or the equivalent, from a nationally recognized statistical rating organization, or

(4) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (3), the Commercial Paper Rate in effect on the particular Interest Determination Date.

"Money Market Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the applicable Interest Reset Period.

#### *Eleventh District Cost of Funds Rate*

"Eleventh District Cost of Funds Rate" means:

(1) the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which the particular Interest Determination Date falls as set forth under the caption "11th District" on the display on Moneyline Telerate (or any successor service) on page 7058 (or any other page as may replace the specified page on that service) ("Moneyline Telerate Page 7058") as of 11:00 A.M., San Francisco time, on that Interest Determination Date, or

(2) if the rate referred to in clause (1) does not so appear on Moneyline Telerate Page 7058, the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "Index") by the Federal Home Loan Bank of San Francisco as the cost of funds for the calendar month immediately preceding that Interest Determination Date, or

(3) if the Federal Home Loan Bank of San Francisco fails to announce the Index on or prior to the particular Interest Determination Date for the calendar month immediately preceding that Interest Determination Date, the Eleventh District Cost of Funds Rate in effect on the particular Interest Determination Date.

#### *Federal Funds Rate*

"Federal Funds Rate" means:

(1) the rate on the particular Interest Determination Date for United States dollar federal funds as published in H.15(519) under the caption "Federal Funds (Effective)" and displayed on Moneyline Telerate (or any successor service) on page 120 (or any other page as may replace the specified page on that service) ("Moneyline Telerate Page 120"), or

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(2) if the rate referred to in clause (1) does not so appear on Moneyline Telerate Page 120 or is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date for United States dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "Federal Funds (Effective)", or

(3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in The City of New York (which may include the Agents or their affiliates), selected by the Calculation Agent prior to 9:00 A.M., New York City time, on that Interest Determination Date, or

(4) if the brokers so selected by the Calculation Agent are not quoting as mentioned in clause (3), the Federal Funds Rate in effect on the particular Interest Determination Date.

#### *LIBOR*

"LIBOR" means:

(1) if "LIBOR Moneyline Telerate" is specified in the applicable Pricing Supplement or if neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified in the applicable Pricing Supplement as the method for calculating LIBOR, the rate for deposits in the LIBOR Currency having the Index Maturity specified in the applicable Pricing Supplement, commencing on the related Interest Reset Date, that appears on the LIBOR Page as of 11:00 A.M., London time, on the particular Interest Determination Date, or

(2) if "LIBOR Reuters" is specified in the applicable Pricing Supplement, the arithmetic mean of the offered rates, calculated by the Calculation Agent, or the offered rate, if the LIBOR Page by its terms provides only for a single rate, for deposits in the LIBOR Currency having the particular Index Maturity, commencing on the related Interest Reset Date, that appear or appears, as the case may be, on the LIBOR Page as of 11:00 A.M., London time, on the particular Interest Determination Date, or

(3) if fewer than two offered rates appear, or no rate appears, as the case may be, on the particular Interest Determination Date on the LIBOR Page as specified in clause (1) or (2), as applicable, the rate calculated by the Calculation Agent of at least two offered quotations obtained by the Calculation Agent after requesting the principal London offices of each of four major reference banks (which may include affiliates of the Agents), in the London interbank market to provide the Calculation Agent with its offered quotation for deposits in the LIBOR Currency for the period of the particular Index Maturity, commencing on the related Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on that Interest Determination Date and in a principal amount that is representative for a single transaction in the LIBOR Currency in that market at that time, or

(4) if fewer than two offered quotations referred to in clause (3) are provided as requested, the rate calculated by the Calculation Agent as the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on the particular Interest Determination Date by three major banks (which may include affiliates of the Agents), in that Principal Financial Center selected by the Calculation Agent for loans in the LIBOR Currency to leading European banks, having the particular Index Maturity and in a principal amount that is representative for a single transaction in the LIBOR Currency in that market at that time, or

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(5) if the banks so selected by the Calculation Agent are not quoting as mentioned in clause (4), LIBOR in effect on the particular Interest Determination Date.

"LIBOR Currency" means the currency specified in the applicable Pricing Supplement as to which LIBOR shall be calculated or, if no currency is specified in the applicable Pricing Supplement, United States dollars.

"LIBOR Page" means either:

- if "LIBOR Reuters" is specified in the applicable Pricing Supplement, the display on the Reuter Monitor Money Rates Service (or any successor service) on the page specified in the applicable Pricing Supplement (or any other page as may replace that page on that service) for the purpose of displaying the London interbank rates of major banks for the LIBOR Currency; or
- if "LIBOR Moneyline Telerate" is specified in the applicable Pricing Supplement or neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified in the applicable Pricing Supplement as the method for calculating LIBOR, the display on Moneyline Telerate (or any successor service)

on the page specified in the applicable Pricing Supplement (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for the LIBOR Currency.

#### Prime Rate

"Prime Rate" means:

- (1) the rate on the particular Interest Determination Date as published in H.15(519) under the caption "Bank Prime Loan", or
- (2) if the rate referred to in clause (1) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "Bank Prime Loan", or
- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME 1 Page (as defined below) as the applicable bank's prime rate or base lending rate as of 11:00 A.M., New York City time, on that Interest Determination Date, or
- (4) if fewer than four rates referred to in clause (3) are so published by 3:00 p.m., New York City time, on the related Calculation Date, the rate calculated by the Calculation Agent as the particular Interest Determination Date calculated by the Calculation Agent as the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on that Interest Determination Date by three major banks (which may include affiliates of the Agents) in The City of New York selected by the Calculation Agent, or
- (5) if the banks so selected by the Calculation Agent are not quoting as mentioned in clause (4), the Prime Rate in effect on the particular Interest Determination Date.

"Reuters Screen US PRIME 1 Page" means the display on the Reuter Monitor Money Rates Service (or any successor service) on the "US PRIME 1" page (or any other page as may replace that page on that service) for the purpose of displaying prime rates or base lending rates of major United States banks.

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#### Treasury Rate

"Treasury Rate" means:

- (1) the rate from the auction held on the Treasury Rate Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in the applicable Pricing Supplement under the caption "INVESTMENT RATE" on the display on Moneyline Telerate (or any successor service) on page 56 (or any other page as may replace that page on that service) ("Moneyline Telerate Page 56") or page 57 (or any other page as may replace that page on that service) ("Moneyline Telerate Page 57"), or
- (2) if the rate referred to in clause (1) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for the applicable Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Auction High", or
- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury, or
- (4) if the rate referred to in clause (3) is not so announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or
- (5) if the rate referred to in clause (4) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or
- (6) if the rate referred to in clause (5) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on that Interest Determination Date, of three primary United States government securities dealers (which may include the Agents or their affiliates) selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Supplement, or
- (7) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (6), the Treasury Rate in effect on the particular Interest Determination Date.

"Bond Equivalent Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable Interest Reset Period.

## Discount Notes

We may from time to time offer series of Notes ("Discount Notes") that have an Issue Price (as specified in the applicable Pricing Supplement) that is less than 100% of the principal amount thereof (i.e. par) by more than a percentage equal to the product of 0.25% and the number of full years to the Stated Maturity Date. A series of Discount Notes may not bear any interest currently or may bear interest at a rate that is below market rates at the time of issuance. The difference between the Issue Price of a series of Discount Notes and par is referred to as the "Discount." In the event of redemption, repayment or acceleration of maturity of a series of Discount Notes, the amount payable to the holders of such series of Discount Notes will be equal to the sum of:

- the Issue Price (increased by any accruals of Discount) and, in the event of any redemption of such series of Discount Notes, if applicable, multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable); and
- any unpaid interest accrued on such series of Discount Notes to the date of the redemption, repayment or acceleration of maturity, as the case may be.

For purposes of determining the amount of Discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity occurs for a series of Discount Notes, a Discount will be accrued using a constant yield method. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates for the applicable series of Discount Notes (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to the applicable series of Discount Notes and an assumption that the maturity of such series of Discount Notes will not be accelerated. If the period from the date of issue to the first Interest Payment Date for a series of Discount Notes (the "Initial Period") is shorter than the compounding period for such series of Discount Notes, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then the period will be divided into a regular compounding period and a short period with the short period being treated as provided in the preceding sentence. The accrual of the applicable Discount may differ from the accrual of original issue discount for purposes of the Code, certain series of Discount Notes may not be treated as having original issue discount within the meaning of the Code, and certain series of Notes other than Discount Notes may be treated as issued with original issue discount for federal income tax purposes. See "United States Federal Income Tax Considerations."

## Indexed Notes

We may from time to time offer series of Notes ("Indexed Notes") with the amount of principal, premium and/or interest payable in respect thereof to be determined with reference to the price or prices of specified commodities or stocks, to the exchange rate of one or more designated currencies relative to an indexed currency or to other items, in each case as specified in the applicable Pricing Supplement. In certain cases, holders of a series of Indexed Notes may receive a principal payment on the Maturity Date that is greater than or less than the principal amount of such series of Indexed Notes depending upon the relative value on the Maturity Date of the specified indexed item. Information as to the method for determining the amount of principal, premium, if any, and/or interest, if any, payable in respect of a particular series of Indexed Notes, certain historical information with respect to the specified indexed item and any material tax considerations associated with an investment in the applicable series of Indexed Notes will be specified in the applicable Pricing Supplement. See also "Risk Factors."

## Amortizing Notes

We may from time to time offer series of Notes ("Amortizing Notes") with the amount of principal thereof and interest thereon payable in installments over their terms. Unless otherwise specified in the applicable Pricing Supplement, interest on each series of Amortizing Notes will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to a series of Amortizing Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof. Further information concerning additional terms and provisions of a particular series of Amortizing Notes will be specified in the applicable Pricing Supplement, including a table setting forth repayment information for such series of Amortizing Notes.

## Specific Terms of a Series; Modification of General Terms

We will add the specific terms of a series of Notes, including the specification and determination of one or more Interest Rate Bases, the calculation of the interest rate applicable to a series of Fixed Rate Notes or Floating Rate Notes, the Interest Payment Dates, the Stated Maturity Date, any redemption or repayment provisions or any other term relating thereto, and may modify or replace any of the information provided in this section in the applicable Pricing Supplement and each Note Certificate representing the Notes of such series.

## Book-Entry Notes

We have established a depository arrangement with The Depository Trust Company (the "Depository") with respect to the Notes issued in book-entry form (the "Book-Entry Notes"), the terms of which are summarized below. Any additional or differing terms of the depository arrangement with respect to the Book-Entry Notes of a particular series will be described in the applicable Pricing Supplement.

Upon issuance, all Book-Entry Notes of a series will be represented by one or more Global Securities. Each Global Security representing Book-Entry Notes will be deposited with, or on behalf of, the Depository and will be registered in the name of the Depository or a nominee of the Depository. No Global Security may be transferred except as a whole by a nominee of the Depository to the Depository or to another nominee of the Depository, or by the Depository or another nominee of the Depository to a successor of the Depository or a nominee of a successor to the Depository.

So long as the Depository or its nominee is the registered holder of a Global Security, the Depository or its nominee, as the case may be, will be the sole owner of the Book-Entry Notes represented thereby for all purposes under the Indenture. Except as otherwise provided below, the Beneficial Owners (defined below) of the Global Security representing Book-Entry Notes of a series will not be entitled to receive physical delivery of Certificated Notes and will not be considered the holders thereof for any purpose under the Indenture, and no Global Security representing Book-Entry Notes shall be exchangeable or transferable.

Accordingly, each Beneficial Owner must rely on the procedures of the Depository and, if that Beneficial Owner is not a Participant (defined below), on the procedures of the Participant through which that Beneficial Owner owns its interest in order to exercise any rights of a registered holder under the Indenture. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in certificated form. Such limits and laws may impair the ability to transfer beneficial interests in a Global Security representing Book-Entry Notes.

Each Global Security representing Book-Entry Notes of a series will be exchangeable for Certificated Notes of like tenor and terms and of differing authorized denominations in a like aggregate principal amount, only if (i) the Depository notifies us that it is unwilling or unable to continue as Depository for the Global Securities or we become aware that the Depository has ceased to be a clearing agency registered under the Exchange Act and, in any such case we fail to appoint a

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successor to the Depository within 60 calendar days, (ii) we, in our sole discretion, determine that the Global Securities shall be exchangeable for Certificated Notes or (iii) an Event of Default has occurred and is continuing with respect to the Notes under the Indenture.

Upon any such exchange, such Certificated Notes shall be registered in the names of the Beneficial Owners of the Global Security representing Book-Entry Notes of such series, which names shall be provided by the Depository's relevant Participants (as identified by the Depository) to the Indenture Trustee.

The following is based on information furnished by the Depository:

The Depository will act as securities depository for the Book-Entry Notes. The Book-Entry Notes will be issued as fully registered securities registered in the name of Cede & Co. (the Depository's partnership nominee). Each fully registered Global Securities representing Book-Entry Notes of a series will be deposited with the Depository.

The Depository is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository holds securities that its participants ("Participants") deposit with the Depository. The Depository also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants of the Depository ("Direct Participants") include securities brokers and dealers (including the Agents), banks, trust companies, clearing corporations and certain other organizations. The Depository is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the Depository's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to the Depository and its Participants are on file with the Securities and Exchange Commission.

Purchases of Book-Entry Notes under the Depository's system must be made by or through Direct Participants, which will receive a credit for such Book-Entry Notes on the Depository's records. The ownership interest of each actual purchaser of each Book-Entry Note represented by a Global Security ("Beneficial Owner") is in turn to be recorded on the records of Direct Participants and Indirect Participants. Beneficial Owners will not receive written confirmation from the Depository of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants or Indirect Participants through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in a Global Security representing Book-Entry Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners of a Global Security representing Book-Entry Notes will not receive Certificated Notes representing their ownership interests therein, except in the event that use of the book-entry system for such Book-Entry Notes is discontinued as described above.

To facilitate subsequent transfers, all Global Securities representing Book-Entry Notes which are deposited with, or on behalf of, the Depository are registered in the name of the Depository's nominee, Cede & Co. The deposit of Global Securities with, or on behalf of, the Depository and their registration in the name of Cede & Co. effect no change in beneficial ownership. The Depository has no knowledge of the actual Beneficial Owners of the Global Securities representing the Book-Entry Notes; the Depository's records reflect only the identity of the Direct Participants to whose accounts such Book-Entry Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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Conveyance of notices and other communications by the Depository to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither the Depository nor Cede & Co. will consent or vote with respect to the Global Securities representing the Book-Entry Notes. Under its usual procedures, the Depository mails an Omnibus Proxy to a company as soon as possible after the applicable record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Book-Entry Notes are credited on the applicable record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and/or interest or other amounts, if any, payments on the Global Securities representing the Book-Entry Notes of a series will be made in immediately available funds to the Depository. The Depository's practice is to credit Direct Participants' accounts on the applicable payment date in accordance with their respective holdings shown on the Depository's records unless the Depository has reason to believe that it will not receive payment on such date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of the Depository, the Indenture Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest or other amounts, if any, to the Depository is the responsibility of us and the Indenture Trustee, disbursement of such payments to Direct Participants shall be the responsibility of the Depository, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.



If applicable, redemption notices shall be sent to Cede & Co. If less than all of the Book-Entry Notes of a series are being redeemed, the Depository's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

A Beneficial Owner shall give notice of any option to elect to have its Book-Entry Notes repaid by us, through its Participant, to the Indenture Trustee, and shall effect delivery of such Book-Entry Notes by causing the Direct Participant to transfer the Participant's interest in the Global Security or Securities representing such Book-Entry Notes, on the Depository's records, to the Indenture Trustee. The requirement for physical delivery of Book-Entry Notes in connection with a demand for repayment will be deemed satisfied when the ownership rights in the Global Security representing such Book-Entry Notes are transferred by Direct Participants on the Depository's records.

The Depository may discontinue providing its services as securities depository with respect to the Book-Entry Notes at any time by giving reasonable notice to us or the Indenture Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Certificated Notes are required to be printed and delivered.

We may decide to discontinue use of the system of book-entry transfers through the Depository (or a successor securities depository). In that event, Certificated Notes will be printed and delivered.

The information in this section concerning the Depository and the Depository's system has been obtained from sources that we believe to be reliable, but neither we nor any Agent takes any responsibility for the accuracy thereof.

## Covenants

Under the Indenture, we have made certain covenants regarding payment of principal, interest (if any), premium (if any) and other amounts (if any), maintenance of offices or agencies, holding in trust money for Note payments, protection of the Collateral and delivery of an annual statement as to

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compliance with conditions, performance of obligations and adherence to covenants under the Indenture. Among other covenants, we have agreed that we will not, so long as any Notes of any series are outstanding, and we will not permit any series of the Trust to, so long as any Notes issued by such series remain outstanding, except, in any case, as otherwise permitted by the Indenture, the Trust Agreement, the relevant Series Trust Agreement, or the relevant Funding Agreement:

- sell, transfer, exchange, assign, lease, convey or otherwise dispose of any of our assets or assets of the relevant series of the Trust (whenever acquired), including, without limitation, any portion of the Collateral securing our obligations under the Notes of any series and the Indenture;
- engage in any business or activity other than in connection with, or relating to: the execution and delivery of, and the performance of our obligations under, the Trust Agreement, the relevant Series Trust Agreement, the Indenture, the Administrative Services Agreement, the Distribution Agreement, the Support and Expenses Agreement and each Funding Agreement; the issuance and sale of any Notes pursuant to the Indenture; holding the funds deposited for the benefit of the Trust Beneficial Owner; and the transactions contemplated by, and the activities necessary or incidental to, any of the foregoing;
- incur, directly or indirectly, any debt except for the Notes or as otherwise contemplated under the Indenture or under the Trust Agreement;
- (A) permit the validity or effectiveness of the Indenture or the security interest securing the Notes of any series to be impaired, or permit such security interest to be amended, hypothecated, subordinated, terminated or discharged; (B) permit any person to be released from any covenants or obligations under any Funding Agreement securing the Notes of any series, except as expressly permitted under the Indenture, the Trust Agreement, or the relevant Funding Agreement; (C) create, incur, assume, or permit any lien or other encumbrance (other than a lien with respect to the Collateral securing the Notes of each series) on any of our properties or assets now owned or hereafter acquired, or any interest therein or the proceeds thereof; or (D) permit a lien with respect to the Collateral not to constitute a valid first priority perfected security interest in the Collateral securing the Notes of any series;
- amend, modify or fail to comply with any material provision of the Trust Agreement, except for any amendment or modification of the Trust Agreement expressly permitted thereunder or under the Indenture or the relevant Funding Agreement;
- own any subsidiary or lend or advance any funds to, or make any investment in, any person, except for the investment of any of our funds held by the Indenture Trustee, a Paying Agent (whether with respect to the Notes of any series or other securities of the Issuer), the Delaware Trustee or the Administrator as provided in the Indenture or the Trust Agreement;
- directly or indirectly declare or pay a distribution or make any distribution or other payment, or redeem or otherwise acquire or retire for value any securities other than the Notes; provided that we may:
  - declare or pay a distribution or make any distribution or other payment to the Trust Beneficial Owner in compliance with the Trust Agreement if we have paid or made provision for the payment of all amounts due to be paid on the Notes; and
  - pay all of our debt, liabilities, obligations and expenses, the payment of which is provided for under the Support and Expenses Agreement;
- become required to register as an "investment company" under and as such term is defined in the Investment Company Act of 1940, as amended;

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- enter into any transaction of merger or consolidation, or liquidate or dissolve ourselves (or, to the fullest extent permitted by law, suffer any liquidation or dissolution), or acquire by purchase or otherwise all or substantially all the business or assets of, or any stock or other evidence of beneficial ownership of, any other person;
- take any action that would cause us or any series of the Trust not to be either ignored or treated as a grantor trust for U.S. federal income tax purposes;
- issue any Notes unless:
  - Allstate Life has affirmed in writing to the Trust that it has made changes to its books and records to reflect the granting by us of a security interest in, and the making by us of an assignment for collateral purposes of, the relevant Funding Agreement by the Trust to the Indenture Trustee in accordance with the terms of the Funding Agreement; and
  - we have taken such other steps as may be necessary to cause the Indenture Trustee's security interest in or assignment for collateral purposes of the relevant Collateral to be perfected for purposes of the UCC or effective against our creditors and subsequent purchasers of such Collateral pursuant to insurance or other state laws;
- make any deduction or withholding from the principal of or interest on any series of Notes (other than amounts that may be required to be withheld or deducted from such payments under the Code or any other applicable tax law by reason of the payment of any taxes levied or assessed upon any portion of any relevant Collateral except to the extent specified in the Indenture or the applicable Note Certificate or supplemental indenture);
- have any employees other than the Delaware Trustee and Administrator or any other persons necessary to conduct our business and enter into transactions contemplated under the Indenture, the Trust Agreement, the Administrative Services Agreement, the Distribution Agreement, the Support and Expenses Agreement or any Funding Agreement;
- have an interest in any bank account other than:
  - the accounts required under the Indenture, the Trust Agreement, the Distribution Agreement or any Funding Agreement; and
  - those accounts expressly permitted by the Indenture Trustee; provided that any such further accounts or such interest of the series of the Trust therein shall be charged or otherwise secured in favor of the Indenture Trustee on terms acceptable to such Indenture Trustee;
- permit any affiliate, employee or officer of Allstate Life or any Agent to be a trustee of the Trust; or
- commingle the assets of any series of the Trust with any assets of any other series of the Trust or any assets of any series of the Trust with any assets of any of our affiliates, or guarantee any obligation of any of our affiliates.

## Events of Default

The following will be Events of Default under the Notes of a particular series issued under this medium term note program:

- default in the payment when due and payable of the principal of, or any premium on, any Note of such series;

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- default in the payment when due and payable, of any interest on, or any Additional Amounts with respect to, any Note of such series and continuance of such default for a period of five Business Days;
  - any "Event of Default" (as defined in the Funding Agreement) by Allstate Life under any Funding Agreement securing the Notes of such series;
  - we fail to observe or perform any covenant contained in the Notes of such series or in the Indenture for a period of 30 days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" thereunder and demanding that we remedy the same, will have been given by registered or certified mail, return receipt requested, to us by the Indenture Trustee, or to us and the Indenture Trustee by the holder or holders of at least 25% in aggregate principal amount of the Notes of all series affected thereby at the time outstanding;
  - the Indenture for any reason shall cease to be in full force and effect or shall be declared null and void, or the Indenture Trustee shall fail to have or maintain a validly created and first priority perfected security interest (or the equivalent thereof) in the Collateral required to secure the Notes of such series; or any person shall successfully claim as finally determined by a court of competent jurisdiction that any lien for the benefit of the holders of the Notes of such series and any other person for whose benefit the Indenture Trustee is holding the applicable series Collateral, that the relevant series Collateral is void or is junior to any other lien or that the enforcement thereof is materially limited because of any preference, fraudulent transfer, conveyance or similar law;
  - an involuntary case or other proceeding shall be commenced against us seeking liquidation, reorganization or other relief with respect to us or our debts under any bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect or seeking the appointment of a trustee,

receiver, liquidator, custodian or other similar official of us or any substantial part of our property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against us under the federal bankruptcy laws as now or hereafter in effect;

- we commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to ourselves or our debts under any bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of us or any substantial part of our property, or we consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against us, or make a general assignment for the benefit of creditors, or fail generally to pay our debts as they become due, or take any statutory trust action to authorize any of the foregoing; or
- any other Event of Default provided in any supplemental indenture or in a Note Certificate representing the Notes of such series.

If one or more Events of Default shall have occurred and be continuing with respect to the Notes of such series, then, and in every such event, unless the principal of all of the Notes of such series shall have already become due and payable, either the Indenture Trustee or the holder or holders of not less than 25% in aggregate principal amount of the Notes of such series then outstanding hereunder (each such series voting as a separate class) by notice in writing to us (and to the Indenture Trustee if given by such holders), may declare the entire principal of, and premium on (if any), all the Notes of such series and any interest accrued thereon and any other amounts due and owing with respect thereto, to be due and payable immediately, and upon any such declaration the

same shall become immediately due and payable; provided that, if any Event of Default specified in the sixth or seventh bullets above occurs with respect to us, or if any Event of Default specified in the third bullet above that would cause any Funding Agreement securing the Notes of a series to become automatically and immediately due and payable occurs with respect to Allstate Life, then without any notice to us or any other act by the Indenture Trustee or any holder of any Notes of such series, the entire principal of, and premium on (if any), all the Notes of such series and the interest accrued thereon and any other amounts due and owing with respect thereto, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which were waived by us under the Indenture; and provided further that, if any Event of Default specified in the third or fifth bullets above shall have occurred and be continuing with respect to all series of Notes then outstanding, either the Indenture Trustee or the holder or holders of not less than 25% in aggregate principal amount of the Notes of all series then outstanding (treated as a single class) by notice in writing to us (and to the Indenture Trustee if given by such holder or holders), may declare the entire principal of, and premium on (if any), all the Notes of all series and the interest accrued thereon and any other amounts due and owing with respect thereto, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable.

If at any time after the principal of the Notes of such series, any interest accrued thereon and any other amounts due or owing with respect thereto (or all the Notes of all series if the second proviso of the preceding paragraph is applicable) shall have been so declared due and payable and before any judgment or decree for the payment of the funds due shall have been obtained or entered as hereinafter provided, we shall pay or shall deposit with the Indenture Trustee a sum sufficient to pay all due and payable interest on all the Notes of such series, any interest accrued thereon and any other amounts due or owing with respect thereto (or all the Notes of all series if the second proviso of the preceding paragraph is applicable) and the principal of and premium on (if any) any and all Notes of such series (or all the Notes of all series if the second proviso of the preceding paragraph is applicable) which shall have become due and payable otherwise than by acceleration (with interest on such principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue interest and any other amounts payable, at the same rate as the rate of interest specified in the Note Certificates representing the Notes of such series (or all the Notes of all series if the second proviso of the preceding paragraph is applicable) to the date of such payment or deposit) and such amount as shall be sufficient to cover reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence or bad faith, and if any and all Events of Default under the Indenture, other than the non-payment of the principal of and premium on (if any) the Notes of such series (or all the Notes of all series if the second proviso of the preceding paragraph is applicable) which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein, then and in every such case holders of a majority in aggregate principal amount of the Notes of such series then outstanding, each voting as a separate class (or all the Notes of all series, all voting as a single class, if the second proviso of the preceding paragraph is applicable), by written notice to us and to the Indenture Trustee, may waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

Upon the occurrence and during the continuation of an Event of Default, the claims of the Indenture Trustee for its fees and expenses will have priority over the claims of holders of Notes with respect to any funds collected by the Indenture Trustee during such Event of Default, subject to the terms of the Indenture.

Except in the circumstances described in the third bullet point above, an Event of Default under the Notes of a series will not constitute an event of default under any related Funding

Agreement. In the absence of a contemporaneous event of default under any applicable Funding Agreement, we will probably not have sufficient amounts to pay fully all amounts due to the holders of the applicable series of Notes upon the occurrence of an acceleration event with respect to such series of Notes. In such a case, the Indenture Trustee, acting for the benefit of the holders of the applicable series of Notes, will be limited to a proceeding against each applicable Funding Agreement and the related Collateral. However, because under such circumstances Allstate Life would not be under any obligation to accelerate its payment obligations under any such Funding Agreement, the Indenture Trustee could only:

- continue to receive scheduled periodic payments under the Collateral, including any applicable Funding Agreement;
- dispose of the Collateral, including any applicable Funding Agreement, subject to obtaining the consent of Allstate Life; or
- exercise any combination of the foregoing.

Any such disposition of Collateral could be made on unfavorable terms and result in material losses to the holders of the applicable series of Notes.

In addition, in the event of any acceleration under a series of Notes, the amounts of cash received under any applicable Funding Agreements, any related Support and Expenses Agreement and any other sources available to us may be insufficient to enable us to satisfy all of our Support Obligations and other cash obligations. The failure to have sufficient cash to meet these obligations could result in insolvency or other circumstances that could result in material losses to the holders of the applicable series of Notes.

### **Certain Rights of Holders**

The holder or holders of a majority in aggregate principal amount of the Notes of any series (with each series voting as a separate class) at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee by the Indenture, provided that:

- such direction shall not be otherwise than in accordance with law and the provisions of the Indenture; and
- the Indenture Trustee shall have the right to decline to follow any such direction if the Indenture Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken or if the Indenture Trustee in good faith by its board of directors, the executive committee, or a trust committee of directors or responsible officers of the Indenture Trustee shall determine that the action or proceedings so directed would involve the Indenture Trustee in personal liability or if the Indenture Trustee in good faith shall so determine that the actions or forbearances specified in or pursuant to such direction shall be unduly prejudicial to the interests of any holder of any Note of all series so affected not joining in the giving of said direction.

Nothing in the Indenture shall impair the right of the Indenture Trustee in its discretion to take any action deemed proper by the Indenture Trustee and which is not inconsistent with such direction by the holder or holders of Notes.

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No holder of the Notes of a series shall have any right to institute any proceedings, judicial or otherwise, with respect to the Indenture or any agreement or instrument included in the relevant Collateral or for the appointment of a receiver or trustee, unless:

- such holder has previously given written notice to the Indenture Trustee of a continuing Event of Default with respect to such series of Notes;
- the holder or holders of Notes representing not less than 25% of the aggregate principal amount of the outstanding Notes of such series shall have made written request to the Indenture Trustee to institute proceedings in respect of such Event of Default in its own name as the Indenture Trustee;
- such holder or holders have offered to the Indenture Trustee indemnity or security satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;
- the Indenture Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- no direction inconsistent with such written request has been given to the Indenture Trustee during such 60-day period by the holder or holders of Notes representing at least  $66\frac{2}{3}\%$  of the aggregate principal amount of the outstanding Notes of such series;

it being understood and intended that no holder or holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other holder of any Note of the relevant series or to obtain or to seek to obtain priority or preference over any other holder of the relevant series to enforce any right under the Indenture, except in the manner therein provided and for the equal and ratable benefit of all the holders of the Notes of the relevant series.

### **Modifications and Amendments**

#### *Modifications and Amendments Without Consent of Holders*

We and the Indenture Trustee may from time to time and at any time enter into an indenture or indentures supplemental to the Indenture for one or more of the following purposes without the consent of any holders:

- for us to convey, transfer, assign, mortgage or pledge to the Indenture Trustee as security for the Notes of one or more series any property or assets;
- to add to our covenants such further covenants, restrictions, conditions or provisions as we and the Indenture Trustee shall consider to be for the protection of each holder, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in the Indenture as herein set forth; provided that, in respect of any such additional covenant, restriction, condition or provision such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Indenture Trustee upon such an Event of Default or may limit the right of the holder or holders of a majority in aggregate principal amount of the Notes of such series to waive such an Event of Default;
- to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indenture or Note Certificate which may be defective or inconsistent

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with any other provision contained in the Indenture or in any supplemental indenture or Note Certificate; or to make such other provisions in regard to matters or questions arising under the Indenture or under any supplemental indenture or Note Certificate as we may deem necessary or desirable and which shall not adversely affect the interests of the holders in any material respect;

- to establish the form or terms of Notes of any series; or
- to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the Notes of one or more series and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts under the Indenture by more than one trustee.

We shall advise all rating agencies that are then rating the program or any series of Notes of any such supplemental indentures.

#### *Modifications and Amendments With Consent of Holders*

With the consent of the holder or holders of not less than 66<sup>2</sup>/<sub>3</sub>% in aggregate principal amount of the Notes at the time outstanding of all series affected (voting as a single class), we and the Indenture Trustee may, from time to time and at any time, enter into a supplemental indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or Note Certificate or of modifying in any manner the rights of the holders of Notes of each such series; provided, that no such supplemental indenture shall:

- change the final maturity of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or impair or affect the right of any holder of Notes to institute suit for the payment thereof without the consent of the holder of each Note so affected;
- modify any of the provisions of the Indenture except to increase the percentage of Notes required to approve any supplemental indenture; or
- permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any part of the relevant Collateral or terminate the lien of the Indenture on any property held for the benefit and security of holders of Notes of the relevant series of the Trust or deprive any holder of any Note of such series of the Trust of the security afforded by the lien of the Indenture, without the consent of the holder of each Note so affected.

#### **Indenture Trustee**

Under the Indenture, if an Event of Default with respect to any series of Notes has occurred and is continuing, the Indenture Trustee is obligated to exercise such of the rights and powers vested in it by the Indenture, and to use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

Except during the continuance of an Event of Default, the Indenture provides that the Indenture Trustee need perform only those duties that are specifically set forth therein, and no implied covenants or obligations of the Indenture Trustee will be read into the Indenture.

No provision of the Indenture will be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

- this paragraph does not limit the effect of the immediately preceding paragraph;

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- in the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of the Indenture unless a responsible officer (as defined in the Indenture) of the Indenture Trustee has actual knowledge that such statements or opinions are false; provided that the Indenture Trustee must examine such certificates and opinions to determine whether they conform to the requirements of the Indenture;
  - the Indenture Trustee will not be liable for any error of judgment made in good faith by a responsible officer, unless it is proved that the Indenture Trustee was negligent in ascertaining the pertinent facts;
  - the Indenture Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction of holders of Notes representing at least a majority of the aggregate principal amount of the Notes then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under the Indenture with respect to the Notes; and
  - no provision of the Indenture requires the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties thereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Indenture Trustee may resign at any time by giving not less than 90 days' prior written notice thereof to us and the holders of the affected series of Notes. If no successor Indenture Trustee shall have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

If at any time:

- the Indenture Trustee shall cease to be eligible to serve as Indenture Trustee under the requirements of the Indenture and shall fail to resign after written request or
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the Indenture Trustee shall become incapable of acting with respect to the applicable series of Notes or shall be adjudged as bankrupt or insolvent, or a receiver or liquidator of the Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, we (except upon the occurrence and during the continuation of an Event of Default) may remove the Indenture Trustee with respect to the applicable series of Notes and appoint a successor Indenture Trustee.

In addition to the right of petition given to the resigning Indenture Trustee and the right of removal given to us pursuant to the two preceding paragraphs, any holder who has been a holder of Notes for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee or the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee, as the case may be.

Holders of a majority in aggregate principal amount of the Notes of each series at the time outstanding may at any time remove the Indenture Trustee with respect to the Notes of such series and appoint a successor indenture trustee with respect to the Notes of such series by delivering to the

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Indenture Trustee so removed, to the successor Indenture Trustee so appointed and to us the evidence required for such action by the Indenture.

### **Meetings of Holders**

A Meeting of holders of Notes of any series may be called at any time and from time to time pursuant to the Indenture to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by the Indenture to be made, given or taken by such holders of Notes of such series.

Unless otherwise provided in a Note Certificate representing the Notes of a particular series, the Indenture Trustee may at any time call a meeting of holders of Notes of any series for any purpose specified in the preceding paragraph, to be held at such time and at such place in the City of New York or the city in which the Corporate Trust Office (as defined in the Indenture) is located. Notice of every meeting of such holders of Notes of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, must be given not less than 21 nor more than 180 days prior to the date fixed for the meeting.

Any resolution passed or decision taken at any meeting of holders of Notes of a series duly held in accordance with the Indenture will be binding on all of the holders of Notes of such series, whether or not such holders were present or represented at the meeting.

### **Nonrecourse Enforcement**

Notwithstanding anything to the contrary contained in the Indenture or the Notes, other than as described below, none of Allstate Life, its officers, directors, affiliates, employees or agents or any of our trustees, beneficial owners or agents, or any of their respective officers, directors, affiliates, employees or agents, all of whom we refer to collectively in this Prospectus as the "Nonrecourse Parties", will be personally liable for the payment of any principal, interest or any other sums at any time owing under the terms of any Notes. If any Event of Default shall occur with respect to any Notes of any series, the right of the holder or holders of Notes of such series and the Indenture Trustee on behalf of such holder or holders in connection with a claim on such series of Notes will be limited solely to a proceeding against the relevant Collateral.

Neither such holder or holders nor the Indenture Trustee on behalf of such holder or holders will have the right to proceed against the Nonrecourse Parties or the assets of any other series of the Trust to enforce the relevant series of Notes (except that to the extent they exercise their rights, if any, to seize the Funding Agreement, they may enforce the Funding Agreement against Allstate Life) or for any deficiency judgment remaining after foreclosure of any property included in the Collateral. However, this will not in any manner or way constitute or be deemed a release of the debt or other obligations evidenced by the Notes or otherwise affect or impair the enforceability against the assets of the relevant series of the Trust of the liens, assignments, rights and security interests created by the Indenture, the Collateral or any other instrument or agreement evidencing, securing or relating to the indebtedness or the obligations evidenced by the Notes. The holders of Notes are not precluded from foreclosing upon any property included in the Collateral or from any other rights or remedies in law or in equity against the assets of the relevant series of the Trust.

### **Notices**

All notices regarding Notes will be mailed to the registered owners thereof as their names appear in the note register maintained by the Indenture Trustee.

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### **Governing Law; Submission to Jurisdiction**

The Indenture and the Notes of each series shall (unless specified otherwise in any Pricing Supplement) be governed by, and construed in accordance with, the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the ownership of and security interest in the relevant Funding Agreements of the relevant series of the Trust or remedies under the Indenture in respect thereof may be governed by the laws of a jurisdiction other than the State of New York. All judicial proceedings brought against us, any series of the Trust, or the Indenture Trustee arising out of or relating to the Indenture, any Note or any portion of the Collateral may be brought in a United States federal court located in New York City, the Borough of Manhattan, provided that the Pricing Supplement for any series of Notes may specify other jurisdictions as to which we may consent to the nonexclusive jurisdiction of its courts with respect to such series of Notes.

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## General

Unless otherwise specified in the applicable Pricing Supplement, Foreign Currency Notes will not be sold in, or to residents of, the country issuing the Specified Currency. The information set forth in this Prospectus is directed to prospective purchasers who are United States residents and, with respect to Foreign Currency Notes, is by necessity incomplete. We and the Agents disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States with respect to any matters that may affect the purchase, holding or receipt of payments of principal of, and premium, if any, and interest, if any, on, their Foreign Currency Notes. These purchasers should consult their own financial and legal advisors with regard to these risks. See "Risk Factors—Foreign Currency Notes are subject to exchange rates and exchange control risks."

## Payment of Principal, Premium, if any, and Interest, if any

Unless otherwise specified in the applicable Pricing Supplement, we are obligated to make payments of principal of, and premium, if any, and interest, if any, on, a Foreign Currency Note in the Specified Currency. Any amounts so payable by us in the Specified Currency will be converted by the exchange rate agent named in the applicable Pricing Supplement (the "Exchange Rate Agent") into United States dollars for payment to the registered holders thereof unless otherwise specified in the applicable Pricing Supplement or a registered holder elects, in the manner described below, to receive these amounts in the Specified Currency.

Any United States dollar amount to be received by registered holders of a series of Foreign Currency Notes will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by us for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on that payment date in the aggregate amount of the Specified Currency payable to all registered holders of such series of Foreign Currency Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the relevant registered holders of such series of Foreign Currency Notes by deductions from any payments. If three bid quotations are not available, payments will be made in the Specified Currency.

Registered holders of Foreign Currency Notes may elect to receive all or a specified portion of any payment of principal, premium, if any, and/or interest, if any, in the Specified Currency by submitting a written request to the Indenture Trustee at its corporate trust office in The City of New York on or prior to the applicable Record Date or at least fifteen calendar days prior to the Maturity Date, as the case may be. This written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. This election will remain in effect until revoked by written notice delivered to the Indenture Trustee on or prior to a Record Date or at least fifteen calendar days prior to the Maturity Date, as the case may be. Registered holders of Foreign Currency Notes to be held in the name of a broker or nominee should contact their broker or nominee to determine whether and how an election to receive payments in the Specified Currency may be made.

Unless otherwise specified in the applicable Pricing Supplement, if the Specified Currency is other than United States dollars, a Beneficial Owner of a Global Security which elects to receive payments of principal, premium, if any, and/or interest, if any, in the Specified Currency must notify the Participant through which it owns its interest on or prior to the applicable Record Date or at least fifteen calendar days prior to the Maturity Date, as the case may be, of its election. The applicable Participant must notify the Depositary of its election on or prior to the third Business Day after the applicable Record Date or at least twelve calendar days prior to the Maturity Date, as the case may be,

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and the Depositary will notify the Indenture Trustee of that election on or prior to the fifth Business Day after the applicable Record Date or at least ten calendar days prior to the Maturity Date, as the case may be. If complete instructions are received by the Participant from the applicable Beneficial Owner and forwarded by the Participant to the Depositary, and by the Depositary to the Indenture Trustee, on or prior to such dates, then the applicable Beneficial Owner will receive payments in the Specified Currency.

We will make payments of the principal of, and premium, if any, and/or interest, if any, on, Foreign Currency Notes which are to be made in United States dollars in the manner specified herein with respect to Notes denominated in United States dollars. See "Description of Notes—General." We will make payments of interest, if any, on Foreign Currency Notes which are to be made in the Specified Currency on an Interest Payment Date other than the Maturity Date by check mailed to the address of the registered holders of their Foreign Currency Notes as they appear in the Note Register, subject to the right to receive these interest payments by wire transfer of immediately available funds under the circumstances described under "Description of the Notes—General." We will make payments of principal of, and premium, if any, and/or interest, if any, on, Foreign Currency Notes which are to be made in the Specified Currency on the Maturity Date by wire transfer of immediately available funds to an account with a bank designated at least fifteen calendar days prior to the Maturity Date by the applicable registered holder, provided the particular bank has appropriate facilities to make these payments and the particular Foreign Currency Note is presented and surrendered at the office or agency maintained by us for this purpose in the Borough of Manhattan, The City of New York, in time for the Indenture Trustee to make these payments in accordance with its normal procedures.

## Availability of Specified Currency

If the Specified Currency for Foreign Currency Notes is not available for any required payment of principal, premium, if any, and/or interest, if any, due to the imposition of exchange controls or other circumstances beyond our control, we will be entitled to satisfy our obligations to the registered holders of these Foreign Currency Notes by making payments in United States dollars on the basis of the Market Exchange Rate, computed by the Exchange Rate Agent as described above, on the second Business Day prior to the particular payment or, if the Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate.

The "Market Exchange Rate" for a Specified Currency other than United States dollars means the noon dollar buying rate in The City of New York for cable transfers for the Specified Currency as certified for customs purposes (or, if not so certified, as otherwise determined) by the Federal Reserve Bank of New York.

All determinations made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the registered holders of the Foreign Currency Notes.

## Judgments

Under current New York law, a state court in the State of New York would be required to render a judgment in respect of a Foreign Currency Note in the Specified Currency, and a judgment in the Specified Currency would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment. Accordingly, registered holders of Foreign Currency Notes would be subject to exchange rate fluctuations between the date of entry of a foreign currency judgment and the time when the amount of the foreign currency judgment is paid in United States dollars and converted by the applicable registered holder into the Specified Currency. It is not certain, however, whether a non-New York state court would follow the same rules and procedures with respect to conversions of foreign currency judgments.

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We will indemnify the registered holder of any Note against any loss incurred as a result of any judgment or order being given or made for any amount due under the particular Note and that judgment or order requiring payment in a currency (the "Judgment Currency") other than the Specified Currency, and as a result of any variation between:

- the rate of exchange at which the Specified Currency amount is converted into the Judgment Currency for the purpose of that judgment or order; and
- the rate of exchange at which the registered holder, on the date of payment of that judgment or order, is able to purchase the Specified Currency with the amount of the Judgment Currency actually received.

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## DESCRIPTION OF THE FUNDING AGREEMENTS

In this section we provide a summary of the terms and conditions of the Funding Agreements. This summary is not complete and you should read the detailed provisions of the Funding Agreements. Capitalized terms used in this summary have the same meanings as those used in the Funding Agreements unless the context otherwise requires.

### General

Funding agreements are unsecured obligations of insurance companies. In connection with each issue of Notes, we will purchase one or more Funding Agreements from Allstate Life. We will grant a security interest in, pledge and collaterally assign each such Funding Agreement to the Indenture Trustee as collateral to secure our obligations under the applicable series of Notes.

### Insolvency of Allstate Life

In the event of insolvency of an Illinois insurance company, claims against the insurer's estate are prioritized pursuant to Section 5/205 of the Illinois Insurance Code. Under Section 5/205(1)(d) of the Illinois Insurance Code, claims of "policyholders... covered under insurance policies and insurance contracts issued by the company" receive payment prior to any distribution to general creditors not falling within any other priority class under the Illinois Insurance Code. The Funding Agreements are unsecured obligations of Allstate Life. Lord, Bissell & Brook, special Illinois insurance insolvency counsel of Allstate Life, has opined that, although the matter is by no means free from doubt, subject to the limitations, qualifications and assumptions set forth in its opinion letter, in a properly prepared and presented case, a court applying Illinois law should conclude that each Funding Agreement is properly characterized as an "annuity" under the Illinois Insurance Code; and, in a delinquency proceeding under the Illinois Insurance Code, the timely and properly filed claims of an owner under the Funding Agreement are entitled to distribution *pari passu* with claims made by Allstate Life's other policyholders, beneficiaries and insureds under insurance policies and insurance contracts issued by Allstate Life, and the claims of the Illinois Life and Health Insurance Guaranty Association, and any similar organization in another state, in accordance with the Liquidation Act; and that an owner's claim under the Funding Agreement would not be recharacterized as other than the claims of a policyholder, beneficiary or insured under an insurance policy or insurance contract.

The term "annuity" is used in several sections of the Illinois Insurance Code but is not defined therein. In the absence of any controlling judicial precedents, such opinion is based upon a reasoned application of judicial decisions involving similar or analogous circumstances. Investors should note, however, that, in the event of the insolvency of an insurance company, the judicial analysis of issues relating to the distribution of its general assets has typically proceeded on a case-by-case basis.

### Payments and Payments of Additional Amounts

Under the terms of each Funding Agreement securing our obligations under a series of Notes, Allstate Life will be obligated to make payments in the amounts necessary to permit us to meet in full our scheduled payment obligations under the applicable series of Notes.

Unless otherwise specified in the applicable Pricing Supplement, we will not pay any Additional Amounts to holders of the Notes in the event that any withholding or deduction for or on account of any United States taxes or other governmental charges is required. If the applicable Pricing Supplement specifies that we will pay Additional Amounts to holders of the Notes, the relevant Funding Agreement will provide that Allstate Life will make payments to us in the amounts necessary to permit us to pay Additional Amounts, if any, required to be paid to holders of the particular series of Notes.

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## Optional Tax Event Redemption

If the applicable Pricing Supplement so specifies, the Funding Agreement will provide that upon the occurrence of a Tax Event, Allstate Life may terminate the relevant Funding Agreement by giving not less than 30 and no more than 75 days prior written notice to us and by paying to us the outstanding principal of and accrued but unpaid interest on the Notes or such other amount as is specified in the Pricing Supplement for such Notes, provided that no such notice of termination may be given earlier than 90 days prior to the earliest day when Allstate Life would become obligated to pay any Additional Amounts were a payment in respect of the Funding Agreement then due.

## Events of Default

The following will be "Events of Default" under each Funding Agreement:

- default in the payment when due and payable of any principal amount under the Funding Agreement; or
- default in the payment of any interest accrued when such amounts become due and payable, and continuance of such default for a period of five Business Days; or
- Allstate Life fails, is unable, or Allstate Life admits in writing its inability, generally to pay its debts as such debts become due; or the board of directors of Allstate Life adopts any action to approve or for the purpose of effecting any of the actions referred to in this paragraph; or
- default in the performance or breach of any one or more of the other covenants of Allstate Life under such Funding Agreement, and continuance of such default or breach for a period of 45 days after there has been given notice thereof to Allstate Life; or
- a court having jurisdiction in the premises has entered a decree or order for relief in respect of Allstate Life in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect in the United States of America or any other applicable jurisdiction which decree or order is not stayed; or any other similar relief has been granted under any applicable law; or
- an insolvency case has been commenced against Allstate Life under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect in the United States of America or any other applicable jurisdiction and such case shall not have been dismissed or stayed, in each case within 45 days, or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, rehabilitator, conservator, sequestrator, trustee, custodian or other officer having similar powers over Allstate Life, or over all or a substantial part of its property, has been entered; or there has occurred the involuntary appointment of an interim receiver, trustee or other custodian of Allstate Life, for all or a substantial part of its property; or a court having jurisdiction in the premises has entered a decree or order declaring the dissolution of Allstate Life; or a warrant of attachment, execution or similar process has been issued against any substantial part of the property of Allstate Life; or
- the Director of the Illinois Department of Insurance or any other insurance supervisor having jurisdiction over Allstate Life shall have filed a petition seeking any order under the Illinois Insurance Code or other applicable insurance law to rehabilitate, liquidate, or conserve the assets of, or take other similar action with respect to, Allstate Life; or
- Allstate Life commences a voluntary case or other proceeding seeking liquidation, dissolution, reorganization or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect in the United States of America (or any state thereof) or any other applicable jurisdiction, or

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seeking the appointment of a receiver, liquidator, rehabilitator, sequestrator, conservator or other similar officer of Allstate Life or any substantial part of its property, or consents to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or consents to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Allstate Life makes any general assignment for the benefit of creditors.

If one or more Events of Default shall have occurred and be continuing (other than an Event of Default specified in the third, fifth, sixth, seventh and eighth bullets above), the owner of the Funding Agreement may, by written notice to Allstate Life, declare the principal plus accrued but unpaid interest for such Funding Agreement to be due and payable and such amounts will become due and payable on the date the written declaration is given to Allstate Life; provided that if an Event of Default specified in the third, fifth, sixth, seventh and eighth bullets above occurs, such amounts will be automatically and immediately due and payable without any declaration or other act on the part of the owner of the Funding Agreement; provided further that, without affecting the obligation of Allstate Life to repay such amounts, no such repayment shall be made in preference to other policyholders of Allstate Life.

## Representations and Warranties of Allstate Life and the Owner of the Funding Agreement

Allstate Life will make a representation in each Funding Agreement regarding its financial strength ratings by one or more of Standard & Poor's, Moody's and A. M. Best as of the date of such Funding Agreement. The rating by any rating agency of the financial strength of Allstate Life does not mean that such rating agency will rate the related series of Notes. Only the applicable Pricing Supplement will specify whether a particular series of Notes has been rated.

We and Allstate Life will also represent and warrant to each other in each Funding Agreement as follows:

- the representing party has the power to enter into the Funding Agreement and to consummate the transactions contemplated thereby;
- the Funding Agreement has been duly authorized, executed and delivered by the representing party;
- assuming the due authorization, execution and delivery thereof by the other party thereto, the Funding Agreement constitutes a legal, valid and binding obligation of the representing party; and
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the Funding Agreement is enforceable against the representing party in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law.

### **Restrictions on Transfer**

Each Funding Agreement will contain provisions prohibiting the owner of the Funding Agreement from transferring or assigning the Funding Agreement or any right to receive payments under the Funding Agreement to any other person without the express written consent of Allstate Life and the written affirmation of Allstate Life that it has changed its books and records to reflect the transfer or assignment or right to receive payments under the Funding Agreement.

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### **Supplemental Funding Agreements**

Within six months of the date of issue of any Funding Agreement, Allstate Life may issue to us one or more additional Funding Agreements and may provide in any such additional Funding Agreement that such additional Funding Agreement shall constitute part of the same obligation of Allstate Life as the initial Funding Agreement (any such additional Funding Agreement, a "Supplemental Funding Agreement"), and such Supplemental Funding Agreement shall be subject to the same terms and conditions as the initial Funding Agreement (including those set forth in the applicable Funding Agreement Pricing Annex), except that the effective date, the deposit amount, the principal amount and the amount of the first interest payment, if any, may be different with respect to such Supplemental Funding Agreement; provided that the issuance of such Supplemental Funding Agreement satisfies the conditions of Treasury Regulation §1.1275-2(k)(2)(ii) and constitutes a "Qualified Reopening" under Treasury Regulation §1.1275-2(k)(3)(ii) without regard to subparagraph (A) thereof.

### **Governing Law**

Each Funding Agreement will be governed by, and construed in accordance with, the laws of the State of Illinois without regard to conflict of law principles.

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## **ERISA CONSIDERATIONS**

ERISA imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds 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. Each fiduciary of an ERISA Plan should consider the fiduciary standards of ERISA in the context of the ERISA Plan's particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan.

Under U.S. Department of Labor regulations at 29 C.F.R. § 2510.3-101, as in effect from time to time (the "Plan Asset Regulations"), our assets may be deemed to be "plan assets" of an ERISA Plan or a "plan" such as an individual retirement account or a Keogh plan (as defined in Section 4975(e)(1) of the Code, other than a governmental or church plan described in Section 4975(g)(2) or (3) of the Code) (together with ERISA Plans, "Plans") for purposes of ERISA and Section 4975 of the Code if a Plan or a person investing "plan assets" of a Plan acquires an equity interest in us and none of the exceptions contained in the Plan Asset Regulations are applicable. An equity interest is defined under the Plan Asset Regulations as an interest other than an instrument that is treated as indebtedness under applicable local law and has no substantial equity features. There is very little pertinent authority on the issue of what constitutes an equity interest for purposes of the Plan Asset Regulations. Accordingly, whether the Notes would be treated as debt or equity for purposes of the Plan Asset Regulations is unclear. Since, however, the holders of Notes of a series will have recourse only to the relevant Collateral that secures such series of Notes, if the Notes were treated as equity interests, the related Funding Agreements would be treated as assets of any Plan holding a Note.

Even if the Notes were treated as equity interests for purposes of the Plan Asset Regulations, because (a) the relevant series of the Trust expects that the Funding Agreements will be treated as debt, rather than equity, for federal tax purposes and (b) the Funding Agreements should not be deemed to have any "substantial equity features", none of the assets underlying the Funding Agreements should be treated as Plan Assets for purposes of the Plan Asset Regulations. Those conclusions are based, in part, upon the traditional debt features of the Funding Agreements, including the reasonable expectation of purchasers of the Notes that the payments due under the Funding Agreements will be paid when due, as well as the absence of conversion rights, warrants and other typical equity features.

Moreover, since the Delaware Trustee has no discretionary authority with respect to the Funding Agreements, even if the Funding Agreements are treated as assets of a Plan holding a Note, the Delaware Trustee should not be treated as having acted in a fiduciary capacity with respect to the Funding Agreements and the treatment of the Funding Agreements as Plan assets should not, absent other factors that do not appear to be present, give rise to a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code.

Therefore, subject to the considerations described herein, the Notes are eligible for purchase by Plans, any entity whose underlying assets include "plan assets" by reason of any Plan's investment in the entity ("Plan Asset Entity") and any person investing "plan assets" of any Plan.

Section 406 of ERISA and Section 4975 of the Code also prohibit Plans from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to such Plans (together, "Parties in Interest"). For

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example, if either we or Allstate Life are a Party in Interest with respect to a Plan (either directly or by reason of its ownership of its subsidiaries), the purchase of the Notes by or on behalf of the Plan would likely be a prohibited transaction under Section 406(a)(1) of ERISA and Section 4975(c)(1) of the Code, unless exemptive relief were available under an applicable administrative exemption (see below). A Party in Interest that engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The U.S. Department of Labor has issued five prohibited transaction class exemptions ("PTCEs") that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase and holding of the Notes by or on behalf of a Plan. Those class exemptions are PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts) and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers). There can be no assurances that any of these class exemptions or any other exemptions will be available with respect to any particular transaction involving the Notes. In addition, a purchaser of the Notes should be aware that even if the conditions specified in one or more of the above-referenced exemptions are met, the scope of the exemptive relief provided by the exemption might not cover all acts which might be construed as prohibited transactions.

Accordingly, the Notes may not be purchased or held by any Plan, any Plan Asset Entity or any person investing "plan assets" of any Plan, unless the purchase and holding of the Notes is exempt under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14. Any purchaser of the Notes or any interest therein, including in the secondary market, will be deemed to have represented that, among other things, either it is not a Plan or other Plan Asset Entity and is not purchasing the Notes on behalf of or with "plan assets" of any Plan or other Plan Asset Entity; or its purchase and holding of the Notes is exempt under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14, and that such representations shall be deemed to be made each day from the date on which the purchaser purchases through and including the date on which the purchaser disposes of the Notes.

Moreover, the Notes may not be purchased or held by any Plan, any Plan Asset Entity or any person investing "plan assets" of any Plan if we or any of our affiliates (a) have investment or administrative discretion with respect to the assets of the Plan used to effect such purchase; (b) have authority or responsibility to give, or regularly give, investment advice with respect to such assets, for a fee and pursuant to an agreement or understanding that such advice (1) will serve as a primary basis for investment decisions with respect to such assets, and (2) will be based on the particular investment needs of such Plan; or (c) unless PTCE 95-60, 91-38 or 90-1 applies, are an employer maintaining or contributing to such Plan.

Any insurance company proposing to invest assets of its general account in the Notes should consider the implications of the United States Supreme Court's decision in *John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank*, 510 U.S. 86, 114 S. Ct. 517 (1993), in which the United States Supreme Court held that in certain circumstances assets in a life insurance company's general account are treated as assets of a Plan that owns a policy or other contract with such insurance company, as well as the effect of Section 401(c) of ERISA as interpreted by regulations issued by the U.S. Department of Labor in January 2000.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing Notes on behalf of or with "plan assets" of any Plan or Plan Asset Entity consult with their counsel regarding the potential consequences under ERISA and the Code and the availability of exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14.

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Governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), 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 such as Section 503 of the Code. No view is expressed as to whether an investment in the Notes (and any continued holding of the Notes), or the operation and administration of the relevant series of the Trust, is appropriate or permissible for any governmental plan or church plan under Section 503 of the Code, or under any state, local or other law respecting such plan. Any purchaser of the Notes or any interest therein, including in the secondary market, will be deemed to have represented that, among other things either (a) it is not a government plan or a church plan or any entity the assets of which are treated as including assets of such plans and it is not purchasing the Notes on behalf of or with assets of any such plan or entity or (b) its purchase, holding and disposition of the Notes is not in violation of the laws applicable to any such governmental plan or church plan, and that such representations shall be deemed to be made each day from the date on which the purchaser purchases, through and including the date on which the purchaser disposes of the Notes. Fiduciaries of any such plans should consult with their counsel before purchasing any Notes.

The sale of any Notes to a Plan is in no respect a representation by any party or entity 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.

Notwithstanding the above, with regard to a particular series of the Trust, the sale of Notes to Plans, or a person utilizing the plan assets of Plans, might not be allowed, or might only be allowed subject to certain additional conditions, in which case the applicable pricing supplement to this Prospectus will disclose the prohibition or such additional conditions.

THE EMPLOYEE BENEFIT PLAN CONSIDERATIONS SET FORTH ABOVE ARE ONLY INTENDED AS A SUMMARY AND MAY NOT BE APPLICABLE DEPENDING UPON A PLAN'S SPECIFIC FACTS AND CIRCUMSTANCES. PLAN FIDUCIARIES SHOULD CONSULT THEIR OWN ADVISORS WITH RESPECT TO THE ADVISABILITY OF AN INVESTMENT IN THE NOTES, AND POTENTIALLY ADVERSE CONSEQUENCES OF SUCH INVESTMENT, INCLUDING WITHOUT LIMITATION THE POSSIBLE EFFECTS OF CHANGES IN APPLICABLE LAWS.

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## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

In this section we provide a summary of United States Federal income tax consequences of the purchase, ownership and disposition of the Notes. This summary is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (including changes in effective dates) or possible differing interpretations. This summary deals only with Notes held as capital assets and does not purport to deal with persons in special tax situations, such as

financial institutions, partnerships, insurance companies, regulated investment companies, dealers in securities or currencies, persons holding Notes as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than initial purchasers of Notes (except where otherwise specifically noted). Persons considering the purchase of the Notes should consult their own tax advisors concerning the application of United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Note that is for United States Federal income tax purposes:

- a citizen or resident of the United States;
- a corporation or partnership (including an entity treated as a corporation or partnership for United States Federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person under any applicable Treasury regulations);
- an estate whose income is subject to United States Federal income tax regardless of its source; or
- subject to applicable transition rules, a trust if 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 have the authority to control all substantial decisions of the trust.

As used in this section, the term "non-U.S. Holder" means a beneficial owner of a Note that is not a U.S. Holder.

## Classification of the Issuer and Notes

In the opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., our special tax counsel, under current law and based on certain facts and assumptions contained in such opinion:

- we, generally and with respect to each series of the Trust, will be ignored for United States Federal income tax purposes and will not be treated as an association or a publicly traded partnership taxable as a corporation; and
- the Notes will be classified as indebtedness of Allstate Life for United States Federal income tax purposes.

Allstate Life and we, generally and with respect to each series of the Trust, will treat the Notes as indebtedness of Allstate Life for all United States Federal income tax purposes. Each holder of Notes, by acceptance of such Notes, will be deemed to have agreed to treat the Notes as indebtedness of Allstate Life for all United States Federal income tax purposes. The remainder of this discussion assumes the Notes are properly treated as indebtedness of Allstate Life for all United States Federal income tax purposes.

An opinion of tax counsel is not binding on the Internal Revenue Service (the "IRS") or the courts, and no ruling on any of the consequences or issues discussed below will be sought from the

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IRS. Accordingly, persons considering the purchase of Notes should consult their own tax advisors about the United States Federal income tax consequences of an investment in the Notes and the application of United States Federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdictions, to their particular situations.

## U.S. Holders

### *Payments of Interest*

Except as described below, payments of interest on a Note generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting).

### *Discount Notes*

The following summary is a general discussion of the United States Federal income tax consequences to U.S. Holders of the purchase, ownership and disposition of Notes issued with original issue discount ("Discount Notes").

For United States Federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a Note over its issue price, if such excess equals or exceeds a *de minimis* amount (generally  $\frac{1}{4}$  of 1% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity from its issue date or, in the case of a Note providing for the payment of any amount other than qualified stated interest (as defined below) prior to maturity, multiplied by the weighted average maturity of such Note). The issue price of each Note in an issue of Notes equals the first price at which a substantial amount of such Notes has been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The stated redemption price at maturity of a Note is the sum of all payments provided by the Note other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. In addition, if a Note bears interest for one or more accrual periods at a rate below the rate applicable for the remaining term of such Note (e.g., Notes with teaser rates or interest holidays), and if the greater of either the resulting foregone interest on such Note or any "true" discount on such Note (i.e., the excess of the Note's stated principal amount over its issue price) equals or exceeds a specified *de minimis* amount, then some or all of the stated interest on the Note would be treated as OID rather than qualified stated interest.

Payments of qualified stated interest on a Note are taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). A U.S. Holder of a Discount Note must include OID in income as ordinary interest for United States Federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. In general, the amount of OID included in income by the initial U.S. Holder of a

Discount Note is the sum of the daily portions of OID with respect to such Discount Note for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such Discount Note. The "daily portion" of OID on any Discount Note is determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. An "accrual period" may be of any length and the accrual periods may vary in length over the term of the Discount Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day

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of an accrual period or on the first day of an accrual period. The amount of OID allocable to each accrual period is generally equal to the difference between:

- the product of the Discount Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period); and
- the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the sum of the issue price of the Discount Note plus the amount of OID allocable to all prior accrual periods minus the amount of any prior payments on the Discount Note that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder who purchases a Discount Note for an amount that is greater than its adjusted issue price as of the purchase date and less than or equal to the sum of all amounts payable on the Discount Note after the purchase date other than payments of qualified stated interest, will be considered to have purchased the Discount Note at an "acquisition premium." Under the acquisition premium rules, the amount of OID which such U.S. Holder must include in its gross income with respect to such Discount Note for any taxable year (or portion thereof in which the U.S. Holder holds the Discount Note) will be reduced (but not below zero) by the portion of the acquisition premium properly allocable to the period.

#### *Floating Rate Notes and Indexed Notes*

Floating Rate Notes and Indexed Notes ("Variable Notes") are subject to special rules whereby a Variable Note will qualify as a "variable rate debt instrument" if:

- its issue price does not exceed the total noncontingent principal payments due under the Variable Note by more than a specified *de minimis* amount;
- it provides for stated interest, paid or compounded at least annually, at current values of, one or more qualified floating rates, a single fixed rate and one or more qualified floating rates, a single objective rate, or a single fixed rate and a single objective rate that is a qualified inverse floating rate; and
- it does not provide for any principal payments which are contingent.

A "qualified floating rate" is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Note is denominated. Although a multiple of a qualified floating rate will generally not itself constitute a qualified floating rate, a variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35 will constitute a qualified floating rate. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Note (*e.g.*, two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (*i.e.*, a cap) or a minimum numerical limitation (*i.e.*, a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless such cap or floor is fixed throughout the term of the Note. An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed

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formula and that is based on objective financial or economic information. A rate will not qualify as an objective rate if it is based on information that is within the control of Allstate Life (or a related party) or that is unique to the circumstances of Allstate Life (or a related party), such as dividends, profits, or the value of Allstate Life's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of Allstate Life). A "qualified inverse floating rate" is any objective rate where such rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. In addition, if a Variable Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate and if the variable rate on the Variable Note's issue date is intended to approximate the fixed rate (*e.g.*, the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

If a Variable Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument" and if the interest on such Note is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually, then all stated interest on the Note will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Note is issued at a "true" discount (*i.e.*, at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. The amount of qualified stated interest and the amount of OID, if any, that accrues during an accrual period on such a Variable Note is determined under the rules applicable to fixed rate debt instruments by assuming that the variable rate is a fixed rate equal to:

- in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate; or
- in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Note. The qualified stated interest allocable to an accrual period is the amount of interest actually paid during such accrual period.

In general, any other Variable Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Note. A Variable Note is converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Note. In the case of a Variable Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a single fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Note provides for a qualified inverse floating rate). Under such circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Note as of the Variable Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate

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or a qualified inverse floating rate, the Variable Note is then converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument. A U.S. Holder of the Variable Note will account for such OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. Each accrual period appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that such amounts differ from the actual amount of interest accrued or paid on the Variable Note during the accrual period.

If the Variable Note does not qualify as a "variable rate debt instrument" then the Variable Note would be treated as a contingent payment debt instrument. A U.S. Holder of a contingent payment debt instrument is generally required to include future contingent and noncontingent interest payments in income under the constant yield method as such interest accrues based on Allstate Life's determination of the "comparable yield" and the establishment of a "projected payment schedule" that must produce the comparable yield. The comparable yield is the yield at which Allstate Life would issue a fixed rate debt instrument with similar terms and conditions. The projected payment schedule consists of all stated principal payments and a projected amount and time for each contingent interest payment. If the actual amount of any contingent payment, once determined, differs from the projected amounts, appropriate adjustments are to be made to the amounts required to be included in gross income by the U.S. Holder. The yield, timing and amounts set forth in the projected payment schedule are for purposes of computing the OID only and are not assurances by us with respect to any aspect of the Notes. Because U.S. Holders will generally be bound by Allstate Life's determination of the comparable yield and by the projected payment schedule for United States Federal income tax purposes, a U.S. Holder's income inclusions may be accelerated relative to the time payments under the Notes are in fact made. The IRS has authority to disregard a projected payment schedule it determines to be unreasonable. Any gain recognized by a U.S. Holder on the sale, exchange, or retirement of a contingent payment debt instrument will be treated as interest income and all or a portion of any loss realized could be treated as ordinary loss as opposed to capital loss (depending upon the circumstances). The United States Federal income tax treatment of Variable Notes that are treated as contingent payment debt instruments will be more fully described in the applicable Pricing Supplement. Purchasers of contingent payment debt instruments should carefully examine the applicable Pricing Supplement and should consult their own tax advisor with respect to such Notes.

Certain of the Notes:

- may be redeemable at our option prior to their stated maturity (a "call option"); and/or
- may be repayable at the option of the holder prior to their stated maturity (a "put option"). Notes containing such features may be subject to rules that differ from the general rules discussed above.

Investors intending to purchase Notes with such features should consult their own tax advisors, since the OID consequences will depend, in part, on the particular terms and features of the purchased Notes.

U.S. Holders may generally, upon election, include in income all interest (including stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) that accrues on a debt instrument by using the constant yield method applicable to OID, subject to certain limitations and exceptions.

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*Short-Term Notes*

Notes that have a fixed maturity of one year or less ("Short Term Notes") will be treated as having been issued with OID. In general, an individual or other cash method U.S. Holder is not required to accrue such OID unless the U.S. Holder elects to do so. If such an election is not made, any gain recognized by the U.S. Holder on the sale, exchange or maturity of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis, or upon election under the constant yield method (based on daily compounding), through the date of sale or maturity, and a portion of the deductions otherwise allowable to the U.S. Holder for interest on borrowings allocable to the Short-Term Note will be deferred until a corresponding amount of income is realized. U.S. Holders who report income for United States Federal income tax purposes under the accrual method, and certain other holders including banks and dealers in

securities, are required to accrue OID on a Short-Term Note on a straight-line basis unless an election is made to accrue the OID under a constant yield method (based on daily compounding).

#### *Market Discount*

If a U.S. Holder purchases a Note, other than a Discount Note, for an amount that is less than its issue price (or, in the case of a subsequent purchaser, its stated redemption price at maturity) or, in the case of a Discount Note, for an amount that is less than its adjusted issue price as of the purchase date, such U.S. Holder will be treated as having purchased such Note at a "market discount", unless such market discount is less than a specified *de minimis* amount.

Under the market discount rules, a U.S. Holder will be required to treat any partial principal payment (or, in the case of a Discount Note, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition of, a Note as ordinary income to the extent of the lesser of:

- the amount of such payment or realized gain; and
- the market discount which has not previously been included in income and is treated as having accrued on such Note at the time of such payment or disposition.

Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Note, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Note with market discount until the maturity of the Note or certain earlier dispositions, because a current deduction of such holder's "net direct interest expense" is only allowed to the extent the interest expense exceeds an allocable portion of market discount. Net direct interest expense is the excess of interest paid or accrued to purchase or carry the market discount Note over the interest (including OID) includible in the purchaser's gross income. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or semiannual compounding basis), in which case the rules described above regarding the treatment as ordinary income of gain upon the disposition of the Note, the receipt of certain cash payments and the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest for United States Federal income tax purposes. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

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#### *Premium*

If a U.S. Holder purchases a Note for an amount that is greater than the sum of all amounts payable on the Note after the purchase date other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased the Note with "amortizable bond premium" equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Note and may offset interest otherwise required to be included in gross income in respect of the Note during any taxable year by the amortized amount of such excess for the taxable year. However, if the Note may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which could result in a deferral of the amortization of some bond premium until later in the term of the Note. Any election to amortize bond premium applies to all taxable debt instruments held or acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

#### *Disposition of a Note*

Except as discussed above, upon the sale, exchange, redemption (including a redemption in connection with a Tax Event) or retirement of a Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and such U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal such U.S. Holder's initial investment in the Note increased by any OID included in income (and accrued market discount, if any, if the U.S. Holder has included such market discount in income) and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to such Note. Such gain or loss generally will be long-term capital gain or loss if the Note were held for more than one year. Non-corporate taxpayers are subject to reduced maximum rates on long-term capital gains and are generally subject to tax at ordinary income rates on short-term capital gains. The deductibility of capital losses is subject to certain limitations. Prospective investors should consult their own tax advisors concerning these tax law provisions.

### **Notes Denominated or on which Interest is Payable in a Foreign Currency**

As used in this section, "Foreign Currency" means a currency other than U.S. dollars.

#### *Payments of Interest on a Foreign Currency Note*

##### *Cash Method*

A U.S. Holder who uses the cash method of accounting for United States Federal income tax purposes and who receives a payment of interest on a Foreign Currency Note (other than OID or market discount) will be required to include in income the U.S. dollar value of the Foreign Currency payment (determined on the date such payment is received) regardless of whether the payment is in fact converted to U.S. dollars at that time, and such U.S. dollar value will be the U.S. Holder's tax basis in such Foreign Currency.

##### *Accrual Method*

A U.S. Holder who uses the accrual method of accounting for United States Federal income tax purposes, or who otherwise is required to accrue interest prior to receipt, will be required to include in income the U.S. dollar value of the amount of interest income (including OID or market discount and reduced by

the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. A U.S. Holder may elect, however, to translate such accrued interest income using the rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the rate of exchange 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 rate of exchange on the date of receipt. The above election will apply to other debt obligations held by the U.S. Holder and may not be changed without the consent of the IRS. A U.S. Holder should consult a tax advisor before making the above election. A U.S. Holder will recognize exchange gain or loss (which will be treated as ordinary income or loss) with respect to accrued interest income on the date such income is received. The amount of ordinary income or loss recognized will equal the difference, if any, between the U.S. dollar value of the Foreign Currency payment received (determined on the date such payment is received) in respect of such accrual period and the U.S. dollar value of interest income that has accrued during such accrual period (as determined above).

#### *Purchase, Sale and Retirement of Foreign Currency Notes*

A U.S. Holder who purchases a Foreign Currency Note with previously owned Foreign Currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the Foreign Currency and the U.S. dollar fair market value of the Foreign Currency used to purchase the Foreign Currency Note, determined on the date of purchase.

Except as discussed above with respect to Short-Term Notes, upon the sale, exchange, redemption (including a redemption in connection with a Tax Event) or retirement of a Foreign Currency Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and such U.S. Holder's adjusted tax basis in the Foreign Currency Note. Such gain or loss generally will be capital gain or loss (except to the extent of any accrued market discount not previously included in the U.S. Holder's income) and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Foreign Currency Note has been held by such U.S. Holder for more than one year. To the extent the gain realized represents accrued but unpaid interest, however, such amounts must be taken into account as interest income, with exchange gain or loss computed as described in "Payments of Interest in a Foreign Currency" above. If a U.S. Holder receives Foreign Currency on such a sale, exchange or retirement the amount realized will be based on the U.S. dollar value of the Foreign Currency on the date the payment is received or the Foreign Currency Note is disposed of (or deemed disposed of as a result of a material change in the terms of the Foreign Currency Note). In the case of a Foreign Currency Note that is denominated in Foreign Currency and is traded on an established securities market, a cash basis U.S. Holder (or, upon election, an accrual basis U.S. Holder) will determine the U.S. dollar value of the amount realized by translating the Foreign Currency payment at the spot rate of exchange on the settlement date of the sale. A U.S. Holder's adjusted tax basis in a Foreign Currency Note will equal the cost of the Foreign Currency Note to such U.S. Holder, increased by the amounts of any market discount or OID previously included in income by the U.S. Holder with respect to such Foreign Currency Note and reduced by any amortized acquisition or other premium and any principal payments received by the U.S. Holder. A U.S. Holder's tax basis in a Foreign Currency Note, and the amount of any subsequent adjustments to such U.S. Holder's tax basis, will be the U.S. dollar value of the Foreign Currency amount paid for such Foreign Currency Note, or of the Foreign Currency amount of the adjustment, determined on the date of such purchase or adjustment.

Gain or loss realized upon the sale, exchange or retirement of a Foreign Currency Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between the U.S. dollar value of the Foreign Currency principal amount of the

Foreign Currency Note, determined on the date such payment is received or the Foreign Currency Note is disposed of, and the U.S. dollar value of the Foreign Currency principal amount of the Foreign Currency Note, determined on the date the U.S. Holder acquired the Foreign Currency Note. Such Foreign Currency 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 or retirement of the Foreign Currency Note.

#### *Original Issue Discount*

In the case of a Discount Note or Short-Term Note:

- OID is determined in units of the Foreign Currency;
- accrued OID is translated into U.S. dollars as described in "Payments of Interest in a Foreign Currency—Accrual Method" above; and
- the amount of Foreign Currency gain or loss on the accrued OID is determined by comparing the amount of income received attributable to the discount (either upon payment, maturity or an earlier disposition), as translated into U.S. dollars at the rate of exchange on the date of such receipt, with the amount of OID accrued, as translated above.

#### *Premium and Market Discount*

In the case of a Foreign Currency Note with market discount:

- market discount is determined in units of the Foreign Currency;
- accrued market discount taken into account upon the receipt of any partial principal payment or upon the sale, exchange, retirement or other disposition of the Foreign Currency Note (other than accrued market discount required to be taken into account currently) is translated into U.S. dollars at the exchange rate on such disposition date (and no part of such accrued market discount is treated as exchange gain or loss); and
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accrued market discount currently includible in income by a U.S. Holder for any accrual period is translated into U.S. dollars on the basis of the average exchange rate in effect during such accrual period, and the exchange gain or loss is determined upon the receipt of any partial principal payment or upon the sale, exchange, retirement or other disposition of the Foreign Currency Note in the manner described in "Payments of Interest in a Foreign Currency—Accrual Method" above with respect to computation of exchange gain or loss on accrued interest.

With respect to a Foreign Currency Note acquired with amortizable bond premium, such premium is determined in the relevant Foreign Currency and reduces interest income in units of the Foreign Currency. Although not entirely clear, a U.S. Holder should recognize exchange gain or loss equal to the difference between the U.S. dollar value of the bond premium amortized with respect to a period, determined on the date the interest attributable to such period is received, and the U.S. dollar value of the bond premium determined on the date of the acquisition of the Foreign Currency Note.

#### *Exchange of Foreign Currencies*

A U.S. Holder will have a tax basis in any Foreign Currency received as interest or on the sale, exchange or retirement of a Foreign Currency Note equal to the U.S. dollar value of such Foreign Currency, determined at the time the interest is received or at the time of the sale, exchange or retirement. Any gain or loss realized by a U.S. Holder on a sale or other disposition of Foreign Currency (including its exchange for U.S. dollars or its use to purchase Foreign Currency Notes) will be ordinary income or loss.

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#### **Non-U.S. Holders**

Payments of interest (including OID, if any) on a Note received by a non-U.S. Holder that does not hold its Notes in connection with the conduct of a trade or business in the United States, will generally not be subject to United States Federal withholding tax pursuant to the "Portfolio Interest Exemption" unless:

- the non-U.S. Holder is a direct or indirect 10% or greater shareholder of Allstate Life;
- the non-U.S. Holder is a controlled foreign corporation related to Allstate Life;
- the non-U.S. Holder is a bank receiving interest described in section 881(c)(3)(A) of the Code; or
- interest on the Note is contingent interest described in section 871(h)(4) of the Code.

To qualify for the Portfolio Interest Exemption from United State Federal withholding tax, the last United States payor in the chain of payment prior to payment to a non-U.S. Holder (the "Withholding Agent") must have received in the year in which a payment of interest or principal occurs, or in either of the two preceding calendar years, a statement that:

- is signed by the beneficial owner of the Note under penalties of perjury;
- certifies that such owner is not a U.S. Holder; and
- provides the name and address of the beneficial owner.

The statement may be made on an IRS Form W-8BEN or a substantially similar form, and the beneficial owner must inform the Withholding Agent of any change in the information on the statement within 30 days of such change. If a Note is held through a securities clearing organization or certain other financial institutions, the organization or institution may provide a signed statement to the Withholding Agent. However, in such a case, the signed statement generally must be accompanied by a copy of the IRS Form W-8BEN or the substitute form provided by the beneficial owner to the organization or institution.

If a non-U.S. Holder cannot satisfy the requirements for eligibility for the Portfolio Interest Exemption, interest earned by such non-U.S. Holder will be subject to United States Federal withholding tax at a 30% rate unless the non-U.S. Holder provides the Withholding Agent with a properly executed:

- IRS Form W-8BEN claiming an exemption from or reduction in withholding under the benefit of a United States income tax treaty; or
- IRS Form W-8ECI stating that interest paid on the Note is not subject to withholding tax because it is effectively connected with the non-U.S. Holder's conduct of a trade or business in the United States.

Notwithstanding the provision of IRS Form W-8ECI, a non-U.S. Holder that holds its Notes in connection with its conduct of a trade or business in the United States will be taxed on its Notes in the same manner as a U.S. Holder, and, if such non-U.S. Holder is a foreign corporation, it may also be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, subject to adjustments.

Generally, a non-U.S. Holder will not be subject to United States Federal income taxes on any amount which constitutes capital gain upon the sale, exchange, redemption (including a redemption in connection with a Tax Event) retirement or disposition of a Note, provided:

- the gain is not effectively connected with the conduct of a trade or business in the United States by the non-U.S. Holder; and

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- the non-U.S. Holder is not an individual who is present in the United States for 183 days or more during the taxable year.

Certain other exceptions may be applicable, and a non-U.S. Holder should consult its tax advisor in this regard.

The Notes will not be includible in the estate of a non-U.S. Holder unless the individual is a direct or indirect 10% or greater shareholder of Allstate Life or, at the time of such individual's death, payments in respect of the Notes would have been effectively connected with the conduct by such individual of a trade

or business in the United States. If any portion of the interest payable on the Notes at the time of the individual's death was contingent interest, then an appropriate portion of the value of the Notes would be includible in the estate of a non-U.S. Holder.

### **Backup Withholding and Information Reporting**

Backup withholding of United States Federal income tax at a rate of 30% (which rate is scheduled to be reduced gradually to 28% by 2006) may apply to payments made in respect of the Notes to registered owners who are not "exempt recipients" and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Notes to a U.S. Holder must be reported to the IRS, unless the U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Note to (or through) a broker, the broker must withhold 30% (which rate is scheduled to be reduced gradually to 28% by 2006) of the entire purchase price, unless either the broker determines that the seller is a corporation or other exempt recipient or the seller provides, in the required manner, certain identifying information and, in the case of a non-U.S. Holder, certifies that such seller is a non-U.S. Holder (and certain other conditions are met). Such a sale must also be reported by the broker to the IRS, unless either the broker determines that the seller is an exempt recipient or the seller certifies its non-U.S. status (and certain other conditions are met). Certification of the registered owner's non-U.S. status would be made normally on an IRS Form W-8BEN under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the IRS.

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### **PLAN OF DISTRIBUTION**

We are offering the Notes on a continuous basis for sale to or through Merrill Lynch, Pierce, Fenner & Smith Incorporated and other agents we may appoint from time to time (the "Agents"). The Agents, individually or in a syndicate, may purchase Notes, as principal, from us for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by the applicable Agent or, if so specified in the applicable Pricing Supplement, for resale at a fixed offering price. However, we may agree with an Agent for that Agent to utilize its reasonable efforts on an agency basis on our behalf to solicit offers to purchase Notes at 100% of the principal amount thereof, unless otherwise specified in the applicable Pricing Supplement. We will pay a commission to an Agent, ranging from 0% to • % of the principal amount of each Note, depending upon its stated maturity, sold through that Agent as our agent. Unless we otherwise provide in the applicable Pricing Supplement, we will negotiate commissions with respect to Notes with stated maturities in excess of 30 years that are sold through an Agent as our agent at the time of the related sale. The Notes may be sold to institutional, retail, United States, foreign and other investors.

Unless otherwise specified in the applicable Pricing Supplement, any Note sold to an Agent as principal will be purchased by that Agent at a price equal to 100% of the principal amount thereof less a percentage of the principal amount equal to the commission applicable to an agency sale of a Note of identical maturity. An Agent may sell Notes it has purchased from us as principal to certain dealers less a concession equal to all or any portion of the discount received in connection with that purchase. An Agent may allow, and dealers may reallow, a discount to certain other dealers. After the initial offering of Notes, the offering price (in the case of Notes to be resold on a fixed offering price basis), the concession and the reallowance may be changed.

We reserve the right to modify the offer made hereby without notice and may reject offers in whole or in part (whether placed directly by us or through an Agent). Each Agent will have the right, in its discretion reasonably exercised, to reject in whole or in part any offer to purchase Notes received by it on an agency basis.

Unless otherwise specified in the applicable Pricing Supplement, you will be required to pay the purchase price of your Notes in immediately available funds in the specified currency in The City of New York on the date of settlement.

Upon issuance, the Notes will not have an established trading market. The Notes may not be listed on any securities exchange. The Agents may from time to time purchase and sell Notes in the secondary market, but the Agents are not obligated to do so, and there can be no assurance that a secondary market for the Notes will develop or that there will be liquidity in the secondary market if one develops. From time to time, the Agents may make a market in the Notes, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

In connection with an offering of Notes purchased by one or more Agents as principal on a fixed offering price basis, the applicable Agents will be permitted to engage in certain transactions that stabilize the price of Notes. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of Notes. If those Agents create a short position in Notes, *i.e.*, if they sell Notes in an amount exceeding the amount referred to in the applicable Pricing Supplement, they may reduce that short position by purchasing Notes in the open market. In general, purchases of Notes for the purpose of stabilization or to reduce a short position could cause the price of Notes to be higher than it might be in the absence of these type of purchases.

Neither we nor any Agent makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have on the price of Notes. In addition, neither we nor any Agent makes any representation that the

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Agents will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Agents may be deemed to be "underwriters" within the meaning of the Securities Act. We and Allstate Life have agreed to indemnify the Agents against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Agents may be required to make in respect thereof.

In the ordinary course of its business, the Agents and their affiliates have engaged, and may in the future engage, in investment and commercial banking transactions with Allstate Life and certain of its affiliates.

## LEGAL OPINIONS

Certain matters regarding the Notes and their offering will be passed upon:

- for Allstate Life by Michael J. Velotta, Esq., Senior Vice President, Secretary and General Counsel of Allstate Life (as to Illinois law);
- for us and Allstate Life by LeBoeuf, Lamb, Greene & MacRae, L.L.P., a limited liability partnership including professional corporations (as to New York law, United States Federal securities and tax law and certain insurance regulatory matters);
- for us and Allstate Life by Lord, Bissell & Brook (as to certain Illinois regulatory matters);
- for us and Wilmington Trust Company by Richards, Layton & Finger, P.A. (as to Delaware law); and
- for the Agents by Sidley Austin Brown & Wood (as to New York law and United States Federal securities law).

LeBoeuf, Lamb, Greene & MacRae, L.L.P. has from time to time represented, and continues to represent, one or more of the Agents.

## EXPERTS

The consolidated financial statements and the related consolidated financial statement schedules incorporated in this Prospectus by reference from the Allstate Life Insurance Company registration statement on Form 10 filed April 24, 2002 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated in this Prospectus by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

With respect to the unaudited interim financial information for the periods ended March 31, 2002 and 2001; June 30, 2002 and 2001; and September 30, 2002 and 2001 which is incorporated herein by reference, Deloitte & Touche LLP have applied limited procedures in accordance with professional standards for a review of such information. However, as stated in their reports included in the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002; June 30, 2002; and September 30, 2002 and incorporated by reference herein, they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche LLP are not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their reports on the unaudited interim financial information because those reports are not "reports" or a "part" of the registration statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

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# Allstate Life Global Funding

## Senior Secured Medium Term Notes

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### PROSPECTUS

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**Merrill Lynch & Co.**

November • , 2002

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## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### Item 13. Other Expenses of Issuance and Distribution (Form S-1; Item 14 of Form S-3).

The following table sets forth the estimated expenses to be incurred in connection with the offering described in these registration statements:

Securities and Exchange Commission registration fee	\$	276,000
Blue Sky Filing and Counsel Fees		*
Fees and expenses of Trustee		*
Printing Registration Statements, Prospectus and other documents		*
Accountants' fees		*
Rating Agencies' fees		*
Miscellaneous expenses		*

\* To be provided by amendment.

**Item 14. Indemnification of Directors and Officers (Form S-1; Item 15 of Form S-3).**

*Allstate Life Insurance Company*

Under Section 8.75 of the Illinois Business Corporation Act of 1983, Allstate Life is empowered, subject to the procedures and limitations stated therein, to indemnify any person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed action, suit or proceeding to which such person is made a party or threatened to be made a party by reason of his being or having been a director, officer, employee or agent of Allstate Life, or serving or having served at the request of Allstate Life as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Section 8.75 further provides that indemnification to which a person may be entitled under any by-law, agreement, vote of stockholders or disinterested directors, or otherwise, and that such indemnification to which a person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, officer, employee or agent of Allstate Life who has ceased to serve in such capacity, and shall inure to the benefit of the heirs, executors and administrators of such a person.

Article VI, Section 1 of the bylaws of Allstate Life provides that Allstate Life will indemnify all of its directors, former directors, officers and former officers, to the fullest extent permitted under law, who were or are a party or are threatened to be made party to any proceeding by reason of the fact that such persons were or are directors or officers of Allstate Life, against liabilities, expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by them. The indemnity shall not be deemed exclusive of any other rights to which directors or officers may be entitled by law or under any articles of incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise. In addition, the indemnity shall inure to the benefit of the legal representatives of directors and officers or of their estates, whether such representatives are court appointed or otherwise designated, and to the benefit of the heirs of such directors and officers. The indemnity shall extend to and include claims for such payments arising out of any proceeding commenced or based on actions of such directors and officers taken prior to the effectiveness of this indemnity; provided that payment of such claims had not been agreed to or denied by Allstate Life before such date. Article IV of the bylaws of The Allstate Corporation provides similar rights of

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indemnification to all directors, former directors, officers and former officers of Allstate Life, as a subsidiary of The Allstate Corporation.

The directors and officers of Allstate Life have been provided liability insurance for certain losses arising from claims or charges made against them while acting in their capacities as directors or officers of Allstate Life.

*Allstate Life Global Funding*

Allstate Life has agreed, pursuant to the Support and Expenses Agreement, to pay certain costs and expenses related to the offering, sale and issuance of any series of Notes by us. We have agreed, pursuant to the Administrative Services Agreement, to indemnify AMACAR Pacific Corp., as Administrator, and to hold the Administrator harmless, from and against certain losses arising out of, in connection with, or resulting from the Administrator's rights and/or performance of the Administrator's duties by the Administrator or its agents and employees pursuant to the Administrative Services Agreement. We have also agreed, pursuant to an indemnity agreement with Wilmington Trust Company, to indemnify, protect, save and keep harmless Wilmington Trust Company, as Delaware Trustee, and its officers, directors, successors, assigns, legal representatives, agents, and servants, from and against certain liabilities relating to or arising out of the Trust Agreement or any other agreements to which we are a party or to which we become a party.

**Item 15. Recent Sales of Unregistered Securities (Form S-1 Only).**

None.

**Item 16. Exhibits (Both Forms S-1 and S-3) and Financial Statement Schedules (Form S-1 Only).**

(a) Exhibits:

Exhibit No.	Description
1.1	Form of Distribution Agreement.
1.2	Form of Representations and Indemnity Agreement.
3.1	Articles of Amendment to the Articles of Incorporation of Allstate Life Insurance Company dated December 29, 1999 (incorporated by reference to Form 10 dated April 24, 2002).
3.2	By-Laws of Allstate Life Insurance Company, Amended and Restated June 28, 2000 (incorporated by reference to Form 10 dated April 24, 2002).
3.3	Certificate of Trust of Allstate Life Global Funding, dated as of June 24, 2002.
4.1	Trust Agreement, dated as of June 24, 2002, between Wilmington Trust Company and AMACAR Pacific Corp.
4.2	Form of Amended and Restated Trust Agreement to be entered into between Wilmington Trust Company and AMACAR Pacific Corp.
4.3	Form of Indenture to be entered into between Allstate Life Global Funding and Bank One, National Association.
4.4	Form of Global Security.
4.5	Form of Definitive Security.

- 5.1\* Opinion of Counsel of Allstate Life Insurance Company.
- 5.2\* Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P.
- 5.3\* Opinion of Richards, Layton & Finger, P.A.
- 8\* Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., as Tax Counsel.
- 10.1 Form of Funding Agreement between Allstate Life Insurance Company and Allstate Life Global Funding.

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- 10.2 Support and Expenses Agreement, dated as of June 27, 2002, between Allstate Life Global Funding and Allstate Life Insurance Company.
  - 10.3 Administrative Services Agreement, dated as of June 27, 2002, between Allstate Life Global Funding and AMACAR Pacific Corp.
  - 10.4 Form of Amended and Restated Administrative Services Agreement to be entered into between Allstate Life Global Funding and AMACAR Pacific Corp.
  - 10.5\* Name Licensing Agreement between Allstate Life Global Funding and Allstate Insurance Company.
  - 10.6 Indemnity Agreement, dated as of June 24, 2002, between Allstate Life Global Funding and Wilmington Trust Company.
  - 12 Ratio of Earnings to Fixed Charges of Allstate Life Insurance Company.
  - 15 Letter re unaudited interim financial information.
  - 23.1 Consent of Deloitte & Touche LLP.
  - 23.2 Consent of Counsel of Allstate Life Insurance Company (included in Exhibit 5.1).
  - 23.3 Consents of LeBoeuf, Lamb, Greene & MacRae, L.L.P. (Included in Exhibits 5.2 and 8).
  - 23.4\* Consent of Lord, Bissel & Brook.
  - 23.5 Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.3).
  - 25 Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Bank One, National Association, Trustee.

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\* To be filed by amendment or by a report on Form 8-K pursuant to Item 601 of Regulation S-K.

- (b) Financial Statement Schedules of Allstate Life Global Funding.

Not applicable.

**Item 17. Undertakings (Both Forms S-1 and S-3).**

- (a) The undersigned registrants hereby undertake:

- (1) To file, during any period in which offers or sales are being made of the securities registered hereby, a post-effective amendment to these registration statements:

- (i) To include any Prospectus required by section 10(a)(3) of the Securities Act of 1933;

- (ii) To reflect in the Prospectus any facts or events arising after the effective date of these registration statements (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in these registration statements. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from low or high end estimated offering range may be reflected in the form of Prospectus filed with the Commission pursuant to Rule 424(b), if, in the aggregate, the changes in volume and price represent no more than 20 percent change in maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statements.

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in these registration statements or any material change to such information in these registration statements; provided, however, that the undertakings set forth in paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic

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reports filed by the registrants pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in these registration statements.

- (2) That for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of Prospectus filed as part of these registration statements in reliance upon Rule 430A and contained in a form of Prospectus filed by the registrants pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of these registration statements as of the time it was declared effective.

- (3) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

- (4) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrants hereby further undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of any annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in these registration statements shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned registrants hereby undertake to file an application for the purposes of determining eligibility of the trustee to act under Subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Securities Act of 1933.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors and officers pursuant to the provisions discussed in Item 15 above, or otherwise, the undersigned registrants have been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Allstate Life of expenses incurred or paid by its director or officer in the successful defense of any action, suit or proceeding) is asserted by such director or officer in connection with the securities being registered, Allstate Life will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Allstate Life Global Funding has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Charlotte, State of North Carolina, on November 22, 2002.

#### ALLSTATE LIFE GLOBAL FUNDING

By: AMACAR Pacific Corp., not in its individual capacity,  
but solely as Administrator

By: /s/ DOUGLAS K. JOHNSON

\_\_\_\_\_  
Name: Douglas K. Johnson  
Title: President

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Pursuant to the requirements of the Securities Act of 1933, as amended, Allstate Life Insurance Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Northbrook, and State of Illinois, on November 22, 2002.

#### ALLSTATE LIFE INSURANCE COMPANY

By: /s/ CASEY J. SYLLA

\_\_\_\_\_  
Casey J. Sylla, Chairman of the Board, President and  
Director

Each person whose signature appears below hereby appoints Steven E. Shebik, Kevin R. Slawin, Michael J. Velotta and Casey J. Sylla as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any registration statement for the same offering filed pursuant to Rule 462 under the Securities Act of 1933, and to file the same, with all exhibits thereto and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and anything appropriate or necessary to be done, as fully and for all confirming all that said attorneys-in-fact and agents or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed on November 22, 2002 by the following persons in the capacities indicated.

Signature	Title
_____ /s/ DAVID A. BIRD _____ David A. Bird	Senior Vice President and Director of Allstate Life
_____ /s/ MARGARET G. DYER _____ Margaret G. Dyer	Senior Vice President and Director of Allstate Life
_____ /s/ MARLA FRIEDMAN _____	Senior Vice President and Director of Allstate Life

Marla Friedman

/s/ EDWARD M. LIDDY

Director of Allstate Life

Edward M. Liddy

/s/ JOHN C. LOUNDS

Senior Vice President and Director of Allstate Life

John C. Lounds

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/s/ J. KEVIN MCCARTHY

Senior Vice President and Director of Allstate Life

J. Kevin McCarthy

/s/ ROBERT W. PIKE

Director of Allstate Life

Robert W. Pike

/s/ SAMUEL H. PILCH

Group Vice President Controller and Director of Allstate Life

Samuel H. Pilch

/s/ MICHAEL J. ROCHE

Senior Vice President and Director of Allstate Life

Michael J. Roche

/s/ STEVEN E. SHEBIK

Senior Vice President, Chief Financial Officer and Director  
of Allstate Life  
(Principal Financial Officer)

Steven E. Shebik

/s/ ERIC A. SIMONSON

Senior Vice President, Chief Investment Officer and Director  
of Allstate Life

Eric A. Simonson

/s/ KEVIN R. SLAWIN

Senior Vice President and Director of Allstate Life

Kevin R. Slawin

/s/ CASEY J. SYLLA

Chairman of the Board, President and Director of  
Allstate Life (Principal Executive Officer)

Casey J. Sylla

/s/ MICHAEL J. VELOTTA

Senior Vice President, General Counsel, Secretary and  
Director of Allstate Life

Michael J. Velotta

/s/ THOMAS J. WILSON, II

Director of Allstate Life

Thomas J. Wilson, II

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## EXHIBIT INDEX

Exhibit No.	Description
1.1	Form of Distribution Agreement.
1.2	Form of Representations and Indemnity Agreement.
3.1	Articles of Amendment to the Articles of Incorporation of Allstate Life Insurance Company dated December 29, 1999 (incorporated by reference to Form 10 dated April 24, 2002).
3.2	By-Laws of Allstate Life Insurance Company, Amended and Restated June 28, 2000 (incorporated by reference to Form 10 dated April 24, 2002).
3.3	Certificate of Trust of Allstate Life Global Funding, dated as of June 24, 2002.
4.1	Trust Agreement, dated as of June 24, 2002, between Wilmington Trust Company and AMACAR Pacific Corp.
4.2	Form of Amended and Restated Trust Agreement to be entered into between Wilmington Trust Company and AMACAR Pacific Corp.

- 4.3 Form of Indenture to be entered into between Allstate Life Global Funding and Bank One, National Association.
- 4.4 Form of Global Security.
- 4.5 Form of Definitive Security.
- 5.1\* Opinion of Counsel of Allstate Life Insurance Company.
- 5.2\* Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P.
- 5.3\* Opinion of Richards, Layton & Finger, P.A.
- 8\* Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., as Tax Counsel.
- 10.1 Form of Funding Agreement between Allstate Life Insurance Company and Allstate Life Global Funding.
- 10.2 Support and Expenses Agreement, dated as of June 27, 2002, between Allstate Life Global Funding and Allstate Life Insurance Company.
- 10.3 Administrative Services Agreement, dated as of June 27, 2002, between Allstate Life Global Funding and AMACAR Pacific Corp.
- 10.4 Form of Amended and Restated Administrative Services Agreement to be entered into between Allstate Life Global Funding and AMACAR Pacific Corp.
- 10.5\* Name Licensing Agreement between Allstate Life Global Funding and Allstate Insurance Company.
- 10.6 Indemnity Agreement, dated as of June 24, 2002, between Allstate Life Global Funding and Wilmington Trust Company.
- 12 Ratio of Earnings to Fixed Charges of Allstate Life Insurance Company.
- 15 Letter re unaudited interim financial information.
- 23.1 Consent of Deloitte & Touche LLP.
- 23.2 Consent of Allstate Life Insurance Company (included in Exhibit 5.1).
- 23.3 Consents of LeBoeuf, Lamb, Greene & MacRae, L.L.P. (Included in Exhibits 5.2 and 8).
- 23.4\* Consent of Lord, Bissel & Brook.
- 23.5 Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.3).
- 25 Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Bank One, National Association, Trustee.

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\* To be filed by amendment or by a report on Form 8-K to Item 601 of Regulation S-K.

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## ALLSTATE LIFE GLOBAL FUNDING

\$3,000,000,000

## MEDIUM-TERM NOTE PROGRAM

## DISTRIBUTION AGREEMENT

\_\_\_\_\_, 2002

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated  
[OTHER AGENTS]

Dear Sirs:

Allstate Life Global Funding, a Delaware statutory trust (the "TRUST") formed pursuant to a Trust Agreement, dated June 24, 2002 (the "TRUST AGREEMENT"), as amended or modified from time to time, between Wilmington Trust Company, as Delaware trustee (the "DELAWARE TRUSTEE"), and AMACAR Pacific Corp., as trust beneficial owner (the "TRUST BENEFICIAL OWNER"), in connection with the Allstate Life Global Funding Medium-Term Note Program (the "PROGRAM"), individually and through each series of the Trust (the Trust with respect to each series of the Trust, a "SERIES TRUST") formed pursuant to a Series Trust Supplement (each a "SERIES TRUST SUPPLEMENT") between the Delaware Trustee and the Trust Beneficial Owner, confirm its agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated and each other institution named on SCHEDULE 1 hereto (each, an "AGENT") with respect to the issue and sale by the Trust of notes due nine months or more from the date of issuance (the "NOTES"). As of the date hereof, the Trust has authorized the issuance and sale from time to time by the Trust in series of up to U.S. \$3,000,000,000 aggregate initial offering price of Notes (or its equivalent as determined in Section 4(p)). The Notes are to be issued pursuant to an Indenture dated [\_\_\_\_], as amended or modified from time to time, between Bank One, National Association, as Indenture Trustee (the "INDENTURE TRUSTEE") and the Trust (the "INDENTURE"). The Trust will use the proceeds from the sale of the Notes to purchase one or more funding agreements (each a "FUNDING AGREEMENT") from Allstate Life Insurance Company, an Illinois stock life insurance company (the "Company"). The Notes will be secured by the Funding Agreement(s) which will be assigned by the Trust with respect to each series of Notes to the Indenture Trustee on behalf of the holders of the Notes of each applicable series of Notes pursuant to the Indenture. In connection with the sale of Notes, the Trust will prepare a Pricing Supplement (the "PRICING SUPPLEMENT") including or incorporating by reference a description of the terms of the Notes, the terms of the offering and a description of the Series Trust through which such Notes are being issued.

The Agents include those institutions named from time to time in SCHEDULE 1 hereto and any institution appointed as an Agent pursuant to Section 18 below. If any institution is appointed as an Agent only with respect to a particular series of Notes of the Trust, such institution shall only be an Agent with respect to such series of Notes of the Trust.

This Agreement specifies the terms and conditions on which Notes may be sold by the Trust (i) to one or more Agents as principal for resale to investors, (ii) directly to investors through the applicable Agent as an agent of the Trust in soliciting offers for the purchase of Notes and (iii) to such other investors in compliance with all applicable securities laws as the Trust may determine from time to time.

The Company has registered shares of its common stock with the Securities and Exchange Commission (the "COMMISSION") pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "1934 ACT") on Form 10 (as amended, if applicable, the "FORM 10") under the 1934 Act. The Company has filed with the Commission a registration statement on Form S-3 (No. 333-\_\_\_\_\_) and pre-effective amendment[s] no[s]. \_\_\_ thereto (as amended, if applicable, the "S-3 REGISTRATION STATEMENT") for the registration of Funding Agreements by the Company under the Securities Act of 1933, as amended (the "1933 ACT"), and the Trust has filed with the Commission a Registration Statement on Form S-1 (No. 333-\_\_\_\_\_) and pre-effective amendment[s] no[s]. \_\_\_ thereto (as amended, if applicable, the "S-1 REGISTRATION STATEMENT") for the registration of Notes by the Trust under the 1933 Act, and the offering thereof in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the "1933 ACT REGULATIONS"). The S-1 Registration Statement, S-3 Registration Statement

and Form 10 have been declared effective by the Commission and the Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended (the "1939 ACT"), and the Trust has filed such post-effective amendments thereto as may be required prior to the Trust's acceptance of any offer for the purchase of Notes and each such post-effective amendment has been declared effective by the Commission. The Form 10, the S-1 Registration Statement and the S-3 Registration Statement are collectively referred to as the "REGISTERED DOCUMENTS"; and the final prospectus and all applicable amendments or supplements thereto (including the final prospectus supplement and Pricing Supplement relating to the offering of Notes), in the form first furnished to the applicable Agent for use in confirming sales of Notes, are collectively referred to herein as the "PROSPECTUS"; provided, however, that all references to the "S-3 Registration Statement", the "Form 10" and the "Prospectus" shall also be deemed to include all documents incorporated therein by reference pursuant to the 1934 Act, prior to any acceptance by the Trust of an offer for the purchase of Notes; provided, further, that if the Company or the Trust file a registration statement with the Commission pursuant to Rule 462(b) of the 1933 Act Regulations (the "RULE 462(b) REGISTRATION STATEMENT"), then, after such filing, all references to the "S-1 Registration Statement" and the "S-3 Registration Statement" shall also be deemed to include the Rule 462(b) Registration Statement. A "PRELIMINARY PROSPECTUS" shall be deemed to refer to any prospectus used before the S-1 Registration Statement and S-3 Registration Statement became effective and any prospectus furnished by the Company or Trust after the S-1 Registration Statement and S-3 Registration Statement became effective and before any acceptance by the Trust of an offer for the purchase of Notes which omitted information to be included upon pricing in a form of prospectus filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations. For purposes of this Agreement, all references to the S-1 Registration Statement, S-3 Registration Statement, Prospectus or preliminary prospectus or to

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any amendment or supplement thereto shall be deemed to include any copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

All references in this Agreement to financial statements and schedules and other information which is "disclosed", "contained", "included" or "stated" (or other references of like import) in the Form 10, Prospectus or preliminary prospectus shall be deemed to include all such financial statements and schedules and other information which is incorporated by reference in the Form 10, Prospectus or preliminary prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Form 10, Prospectus or preliminary prospectus shall be deemed to include the filing of any document under the 1934 Act which is incorporated by reference in the Form 10, Prospectus or preliminary prospectus, as the case may be.

#### SECTION 1. APPOINTMENT AS AGENT.

(a) APPOINTMENT. Subject to the terms and conditions stated herein, the Trust hereby agrees that Notes will be sold to or through the Agents pursuant to the terms of this Agreement. The Trust agrees that it will not appoint any other agents to act on its behalf or to assist it, in the placement of the Notes; provided, however that with respect to transactions in which the sales of Notes will be targeted to institutional purchasers, the Trust may enter into arrangements with other agent(s) not a party to this Agreement provided that such agent(s) enter into an agreement with terms substantially identical to those contained herein. Subject to the terms and conditions of Section 4(1), the Trust agrees that it hereby appoints only Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Retail Agent") to act on the Trust's behalf or to assist the Trust in connection with transactions in which the sale of Notes will be targeted to retail purchasers.

(b) SALE OF NOTES. The Trust shall not sell or approve the solicitation of offers for the purchase of Notes in excess of the aggregate initial offering price of Notes registered pursuant to the S-1 Registration Statement. The Agents shall have no responsibility for maintaining records with respect to the aggregate initial offering price of Notes sold, or of otherwise monitoring the availability of Notes for sale, under the S-1 Registration Statement.

(c) PURCHASES AS PRINCIPAL. The Agents shall not have any obligation to purchase Notes from the Trust as principal. However, absent an agreement by and between the Trust and an Agent for such Agent to act as an agent for the Trust, such Agent shall be deemed to be acting as principal in connection with any offering of Notes by the Trust. Accordingly, the Agents, individually or in a syndicate, may agree from time to time to purchase Notes from the Trust as principal for resale to investors determined by such Agents. Any purchase of Notes from the Trust by an Agent as principal shall be made in accordance with Section 3(a) hereof.

(d) SOLICITATIONS AS AGENT. If agreed upon between an Agent and the Trust, then such Agent, acting solely as an agent for the Trust and not as principal, will solicit offers for the purchase of Notes. Such Agent will communicate to the Trust, orally, each offer for the purchase of Notes solicited by it on an agency basis other than those offers rejected by such Agent. Such Agent shall have the right, in its discretion reasonably exercised, to reject any offer for the purchase of Notes, in whole or in part, and any such rejection shall not be deemed a

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breach of its agreement contained herein. The Trust may accept or reject any offer for the purchase of Notes, in whole or in part. Such Agent shall make reasonable efforts to assist the Trust in obtaining performance by each purchaser whose offer for the purchase of Notes has been solicited by it on an agency basis and accepted by the Trust. Such Agent shall not have any liability to the Trust in the event that any such purchase is not consummated for any reason. If the Trust shall default on its obligation to deliver Notes to a purchaser whose offer has been solicited by an Agent on an agency basis and accepted by the Trust, then (i) the Trust shall hold such Agent harmless against any loss, claim or damage arising from or as a result of such default by the Trust and (ii) the Trust shall be responsible to pay to such Agent any commission to which such Agent would otherwise be entitled absent such default.

(e) RELIANCE. The Trust and Agents agree that any Notes purchased from the Trust by one or more Agents as principal shall be purchased, and any Notes the placement of which an Agent arranges as an agent of the Trust shall be placed by such Agent, in reliance on the representations, warranties, covenants and agreements of the Trust contained herein and on the terms and conditions and in the manner provided herein.

## SECTION 2. REPRESENTATIONS AND WARRANTIES.

(a) The Trust represents and warrants to each Agent as of the date hereof, as of the date of each acceptance by the Trust of an offer for the purchase of Notes (whether to such Agent as principal or through such Agent as agent), as of the date of each delivery of Notes (whether to such Agent as principal or through such Agent as agent) (the date of each such delivery to such Agent as principal is referred to herein as a "SETTLEMENT DATE"), and as of any time that the Registered Documents or the Prospectus shall be amended or supplemented (each of the times referenced above is referred to herein as a "REPRESENTATION DATE"), as follows:

(i) DUE FORMATION AND GOOD STANDING OF THE TRUST. The Trust is a statutory trust, duly formed under Delaware law pursuant to the Trust Agreement and the filing of a certificate of trust with the Delaware Secretary of State, which is validly existing and in good standing as a statutory trust under the laws of the State of Delaware. Each Series Trust which has been formed has been, and each Series Trust which will be formed will be, created as an additional and separate series of beneficial interest in the Trust pursuant to Sections 3804 and 3806(b)(2) (or any successor statutes) of the Delaware Statutory Trust Act.

(ii) REGISTRATION STATEMENT AND PROSPECTUS; FILING STATUS. The Trust meets the requirements for use of Form S-1 under the 1933 Act; the S-1 Registration Statement (or any Rule 462(b) Registration Statement) has become effective under the 1933 Act and no stop order suspending the effectiveness of the S-1 Registration Statement (or any Rule 462(b) Registration Statement) has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Trust, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with; the Indenture has been duly qualified under the 1939 Act; at the respective times that the S-1 Registration Statement (including any Rule 462(b) Registration Statement) and any post-effective amendment thereto became effective and at each Representation Date, the S-1 Registration Statement

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(including any Rule 462(b) Registration Statement) complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations, the 1934 Act and the rules and regulations of the Commission under the 1934 Act (the "1934 ACT REGULATIONS") and the 1939 Act and the rules and regulations of the Commission under the 1939 Act (the "1939 ACT REGULATIONS") and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; each preliminary prospectus and Prospectus filed as part of the

S-1 Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act and the 1933 Act Regulations; each preliminary prospectus and the Prospectus delivered to an Agent for use in connection with the offering of Notes are identical in all material respects to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T; and at the date hereof, at the date of the Prospectus and each amendment or supplement thereto and at each Representation Date, neither the Prospectus nor any amendment or supplement thereto included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to (i) statements in or omissions from the S-1 Registration Statement or the Prospectus made in reliance upon and in conformity with information furnished to the Trust in writing by the applicable Agents concerning such Agents expressly for use in the S-1 Registration Statement or the Prospectus or (ii) the parts of the S-1 Registration Statement which constitute the Statement of Eligibility and Qualification (Form T-1) of the Indenture Trustee under the 1939 Act.

(iii) INCORPORATED DOCUMENTS; 1934 ACT FILINGS. The documents incorporated or deemed to be incorporated by reference in the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations and, when read together with the other information in the Prospectus, at the date hereof, at the date of the Prospectus and at each Representation Date, did not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Any reports, filings or other documents, exhibits or schedules filed by the Trust pursuant to the 1934 Act comply in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations.

(iv) INDEPENDENT ACCOUNTANTS. The accountants who certified the financial statements and any supporting schedules thereto included in the Form 10, the Registration Statement and the Prospectus are independent public accountants to the extent required by the 1933 Act and the 1933 Act Regulations.

(v) TRUST FINANCIAL STATEMENTS. The consolidated financial statements of the Trust, if any, included in any report or filing under the 1934 Act, together with the related schedules and notes present fairly the consolidated financial position of the Trust at the

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dates indicated to the extent required under the 1934 Act; such financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved; the supporting schedules, if any, present fairly in accordance with GAAP the information required to be stated therein; the selected financial data and the summary financial information included in the Registration Statement and the Prospectus present fairly the information shown therein.

(vi) NO MATERIAL CHANGES. Since the respective dates as of which information is given in the S-1 Registration Statement and the Prospectus, except as otherwise stated therein, (1) there has been no event or occurrence that would result in a material adverse effect on the condition (financial or otherwise) of the Trust or on the power or ability of the Trust to perform its obligations under this Agreement, the Indenture, the Trust Agreement, any Series Trust Supplement, any Funding Agreement, the Amended and Restated Administrative Services Agreement (the "ADMINISTRATION AGREEMENT"), dated -, 2002, as amended or modified from time to time, between the Delaware Trustee, on behalf of the Trust, and AMACAR Pacific Corp., as administrator (the "ADMINISTRATOR"), or the Notes or to consummate the transactions to be performed by it as contemplated in the Prospectus (a "TRUST MATERIAL ADVERSE EFFECT") and (2) there have been no transactions entered into by the Trust, other than those in the ordinary course of business, which are material with respect to the Trust.

(vii) AUTHORIZATION OF THIS AGREEMENT, EACH FUNDING AGREEMENT, THE TRUST AGREEMENT, EACH SERIES TRUST SUPPLEMENT, THE INDENTURE, ADMINISTRATION AGREEMENT AND NOTES. This Agreement, each relevant Funding Agreement, the Indenture, the Trust Agreement, each Series Trust Supplement and the Administration Agreement have been duly authorized, executed and delivered by the Trust and this Agreement, each relevant Funding Agreement,

the Trust Agreement, each Series Trust Supplement, the Administration Agreement and the Indenture will each be a valid and legally binding agreement of the Trust enforceable against the Trust in accordance with its terms, as applicable, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law), and except further as enforcement thereof may be limited by requirements that a claim with respect to any Notes issued under the Indenture that are payable in a foreign or composite currency (or a foreign or composite currency judgment in respect of such claim) be converted into U.S. dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or by governmental authority to limit, delay or prohibit the making of payments outside the United States; the Notes have been duly authorized by the Trust for offer, sale, issuance and delivery pursuant to this Agreement and, when issued, authenticated and delivered in the manner provided for in the Indenture and delivered against payment of the consideration therefor, will constitute valid and legally binding obligations of the Trust, enforceable against the Trust in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law); the Notes will be substantially in a form previously certified to the Agents and contemplated by the

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Indenture; and each holder of Notes will be entitled to the benefits set forth in the Indenture.

(viii) ABSENCE OF DEFAULTS AND CONFLICTS. The Trust is not in violation of its certificate of trust or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan or credit agreement, note, lease or other agreement or instrument to which the Trust is a party or by which it may be bound or to which any of the property or assets of the Trust is subject (the "TRUST AGREEMENTS AND INSTRUMENTS"), except for such violations or defaults that would not result in a Trust Material Adverse Effect; and the execution, delivery and performance of this Agreement, the Indenture, the Notes, the Trust Agreement, each Series Trust Supplement, each Funding Agreement, the Administration Agreement and any other agreement or instrument entered into or issued or to be entered into or issued by the Trust in connection with the transactions contemplated by the Prospectus, the consummation of the transactions contemplated in the Prospectus (including the issuance and sale of the Notes and the use of proceeds therefrom as described in the Prospectus) (collectively, the "PROGRAM DOCUMENTS") and the compliance by the Trust with its obligations hereunder and under the Program Documents, have been duly authorized by all necessary action and do not and will not, whether with or without the giving of notice or the passage of time or both, conflict with or constitute a breach of, or default or event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Trust under, or result in the creation or imposition of any lien, charge or encumbrance upon any assets, properties or operations of any Series Trust or the Trust pursuant to, any Trust Agreements and Instruments, nor will such action result in any violation of the Trust's certificate of trust, the Trust Agreement or any Series Trust Supplement which may reasonably be expected to result in a Trust Material Adverse Effect and the Trust is not in default in the performance or observance of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Trust or any of its assets, properties or operations, except for such defaults which would not reasonably be expected to result in a Trust Material Adverse Effect.

(ix) ABSENCE OF PROCEEDINGS. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or to the knowledge of the Trust threatened, against or affecting the Trust which is required to be disclosed in the S-1 Registration Statement and the Prospectus (other than as stated therein), or which may reasonably be expected to result in a Trust Material Adverse Effect, or which may reasonably be expected to materially and adversely affect the assets, properties or operations thereof, the performance by the Trust of its obligations under this Agreement and the other Program Documents or the consummation of the transactions contemplated in the Prospectus; and the aggregate of all pending legal or governmental proceedings to which the Trust is a party or

of which any of its assets, properties or operations is the subject which are not described in the S-1 Registration Statement and the Prospectus, including ordinary routine litigation incidental

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to the business, may not reasonably be expected to result in a Trust Material Adverse Effect.

(x) POSSESSION OF LICENSES AND PERMITS. The Trust possesses such permits, licenses, approvals, consents and other authorizations (collectively, "GOVERNMENTAL LICENSES") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by it; the Trust is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, result in a Trust Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except where the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not result in a Trust Material Adverse Effect; and the Trust has not received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Trust Material Adverse Effect.

(xi) NO FILINGS, REGULATORY APPROVALS ETC. Other than the filing of the applicable financing statements, if any, no filing with, or approval, authorization, consent, license, registration, qualification, order or decree of, any court or governmental authority or agency, domestic or foreign, is necessary or required for the due authorization, execution and delivery by the Trust of the Program Documents or for the performance by the Trust of the transactions contemplated in the Program Documents, except such as have been previously made, obtained or rendered, as applicable.

(xii) INVESTMENT COMPANY ACT. The Trust is not, and upon the sale of the Notes as herein contemplated and the application of the net proceeds therefrom as described in the Prospectus will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "1940 ACT").

(xiii) RATINGS. The Program under which the Notes are issued, as well as the Notes, are rated [\_\_\_\_] by Moody's Investors Service, Inc. and [\_\_\_\_] by Standard & Poor's Ratings Services, a division of the McEvan-Hill Companies (Moody's Investors Service, Inc. and Standard & Poor's Ratings Services are referred to herein as the "RATINGS AGENCIES"), or such other rating as to which the Company or the Trust shall have most recently notified the Agents pursuant to Section 4 hereof.

(xiv) NOTES LISTED ON ANY STOCK EXCHANGE. If specified in a Pricing Supplement, the Notes described in such Pricing Supplement shall be listed on the securities exchange designated in the Pricing Supplement.

(b) ADDITIONAL CERTIFICATIONS. Any certificate signed by any officer of the Trust and delivered to one or more Agents or to counsel for the Agents in connection with an offering of Notes to one or more Agents as principal or through an Agent as agent shall be deemed a representation and warranty by the Trust to such Agent(s) as to the matters covered thereby on the date of such certificate and, unless subsequently amended or supplemented, at each Representation Date subsequent thereto.

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### SECTION 3. PURCHASES AS PRINCIPAL; SOLICITATIONS AS AGENT; OTHER SALES.

(a) PURCHASES AS PRINCIPAL. Notes purchased from the Trust by the Agents, individually or in a syndicate, as principal shall be made in accordance with terms agreed upon between such Agent(s), on one hand, and the Trust, on the other hand, (which terms, unless otherwise agreed, shall, to the extent applicable, include those terms specified in EXHIBIT A hereto and shall be agreed upon orally, with written confirmation prepared by such Agent(s) and mailed to the Trust). An Agent's commitment to purchase Notes as principal shall be deemed to have been made on the basis of the representations and warranties of the Trust herein contained and shall be subject to the terms and conditions herein set forth. Unless the context otherwise requires, references herein to "this Agreement" shall include the applicable agreement of one or more Agents to purchase Notes from the Trust as principal. Each purchase of Notes, unless otherwise agreed, shall be at a discount from the principal amount of each such Note equivalent to the applicable commission set forth in SCHEDULE 2 hereto. The Agents may engage the services of any broker or dealer in connection with the

resale of the Notes purchased by them as principal and may allow all or any portion of the discount received by them in connection with such purchases to any broker or dealer.

If the Trust, on one hand, and two or more Agents, on the other hand, enter into an agreement pursuant to which such Agents agree to purchase Notes from the Trust as principal and one or more of such Agents shall fail at the Settlement Date to purchase the Notes which it or they are obligated to purchase (the "DEFAULTED NOTES"), then the nondefaulting Agents shall have the right, within 24 hours thereafter, to make arrangements for one of them or one or more other Agents or underwriters to purchase all, but not less than all, of the Defaulted Notes in such amounts as may be agreed upon and upon the terms herein set forth; provided, however, that if such arrangements shall not have been completed within such 24-hour period, then:

(i) if the aggregate principal amount of Defaulted Notes does not exceed 10% of the aggregate principal amount of Notes to be so purchased by all of such Agents on the Settlement Date, the nondefaulting Agents shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective initial underwriting obligations bear to the underwriting obligations of all nondefaulting Agents; or

(ii) if the aggregate principal amount of Defaulted Notes exceeds 10% of the aggregate principal amount of Notes to be so purchased by all of such Agents on the Settlement Date, such agreement shall terminate without liability on the part of any nondefaulting Agent.

No action taken pursuant to this paragraph shall relieve any defaulting Agent from liability in respect of its default. In the event of any such default which does not result in a termination of such agreement, either the nondefaulting Agents, on one hand, or the Trust, on the other hand, shall have the right to postpone the Settlement Date for a period not exceeding seven days in order to effect any required changes in the S-1 Registration Statement or the Prospectus or in any other documents or arrangements.

(b) SOLICITATIONS AS AGENT. On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, when agreed by the Trust, on

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one hand, and an Agent, on the other hand, such Agent, as an agent of the Trust, will use its reasonable efforts to solicit offers for the purchase of Notes upon the terms set forth in the Prospectus. Such Agent is authorized to appoint any sub-agent with respect to solicitations of offers to purchase Notes; provided, however, that any such appointment of a sub-agent shall be subject to the prior consent of the Trust and the Company. All Notes sold through such Agent as agent will be sold at one hundred percent (100%) of their principal amount unless otherwise agreed upon between the Trust, on one hand, and such Agent, on the other hand.

The Trust reserves the right, in its sole discretion, to suspend solicitation of offers for the purchase of Notes through an Agent, as an agent of the Trust, commencing at any time for any period of time or permanently. As soon as practicable after receipt of instructions from the Trust, such Agent will suspend solicitation of offers for the purchase of Notes from the Trust until such time as the Trust has advised such Agent that such solicitation may be resumed.

The Trust agrees to pay the Agent, as consideration for soliciting offers to purchase Notes as an agent of the Trust, a commission, in the form of a discount, equal to the applicable percentage of the principal amount of each Note sold by the Trust as a result of any such solicitation made by such Agent, as set forth in SCHEDULE 2 hereto.

(c) ADMINISTRATIVE PROCEDURES. The purchase price, interest rate or formula, maturity date and other terms of the Notes, specified in EXHIBIT A hereto (as applicable) shall be agreed upon between the Trust, on one hand, and the applicable Agent(s), on the other hand, and specified in a Pricing Supplement prepared in connection with each sale of Notes. Except as otherwise specified in the applicable Pricing Supplement, the Notes will be issued in denominations of U.S. \$1,000 or any larger amount that is an integral multiple of U.S. \$1,000. Administrative procedures with respect to the issuance and sale of the Notes (the "ADMINISTRATIVE PROCEDURES") shall be agreed upon from time to time among the Trust, the Agent(s), the Administrator and the Indenture Trustee. The Agents and Trust agree to perform and the Trust agrees to cause the Company, the Administrator and the Indenture Trustee to agree to perform, their respective duties and obligations specifically provided to be performed by them in the Administrative Procedures.

(d) OBLIGATIONS SEVERAL. The Trust acknowledges that the obligations of the Agents under this Agreement are several and not joint.

(e) OTHER SALES. Subject to the terms and conditions of Sections 1(a), 4(k) and 4(l), the Trust reserves the right, to be exercised in its sole discretion, to sell Notes, in compliance with all applicable securities laws, to other investors without the assistance of any Agent.

#### SECTION 4. COVENANTS OF THE TRUST.

The Trust covenants and agrees with each Agent as follows:

(a) NOTICE OF CERTAIN EVENTS. The Trust with respect to the S-1 Registration Statement and Prospectus will notify the Agents immediately, and confirm such notice in writing of (i) the effectiveness of any post-effective amendment to the S-1 Registration Statement or the filing of any amendment or supplement to the Prospectus (other than any amendment or

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supplement thereto providing solely for the determination of the variable terms of the Notes), (ii) the receipt of any comments from the Commission, (iii) any request by the Commission for any amendment to the S-1 Registration Statement or any amendment or supplement to the Prospectus or for additional information, or (iv) the issuance by the Commission of any stop order suspending the effectiveness of the S-1 Registration Statement, or of any order preventing or suspending the use of any preliminary prospectus or Prospectus, or of the initiation of any proceedings for that purpose. With respect to the S-1 Registration Statement, the Trust will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) FILING OR USE OF AMENDMENTS. The Trust will give each Agent advance notice of its intention to file or prepare any additional registration statement with respect to the registration of additional Notes, any amendment to the S-1 Registration Statement (including any filing under Rule 462(b) of the 1933 Act Regulations) or any amendment or supplement to the prospectus included in the S-1 Registration Statement at the time it became effective or to the Prospectus (other than an amendment or supplement thereto providing solely for the determination of the variable terms of the Notes), whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish to such Agents copies of any such document a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file any such document to which an Agent or counsel for the Agents shall object.

(c) DELIVERY OF THE S-1 REGISTRATION STATEMENT. The Trust has furnished to the Agents and to counsel for the Agents, without charge, signed and conformed copies of the S-1 Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed and conformed copies of all consents and certificates of experts. The S-1 Registration Statement and each amendment thereto furnished to an Agent will be identical in all material respects to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) DELIVERY OF THE PROSPECTUS. The Trust will deliver to each Agent, without charge, as many copies of each preliminary prospectus as such Agent may reasonably request, and the Trust hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Trust will furnish to each Agent, without charge, such number of copies of the Prospectus (as amended or supplemented) as such Agent may reasonably request. The Prospectus and any amendments or supplements thereto furnished to such Agent will be identical in all material respects to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) DELIVERY OF THE FORM 10. The Trust has caused the Company to furnish to the Agents and to counsel for the Agents, without charge, signed and conformed copies of the Form 10 as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed and conformed copies of all consents and certificates of experts. The Form 10 and each amendment thereto furnished to the Agents will be identical in all

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material respects to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(f) PREPARATION OF PRICING SUPPLEMENTS. The Trust will prepare, with respect to any Notes to be sold to or through one or more Agents pursuant to this Agreement, a Pricing Supplement with respect to such Notes in a form previously approved by the Agents. The Trust will deliver such Pricing Supplement no later than 11:00 a.m., New York City time, on the business day following the date of the Trust's acceptance of the offer for the purchase of such Notes and will file such Pricing Supplement pursuant to Rule 424(b)(3) under the 1933 Act.

(g) REVISIONS OF PROSPECTUS -- MATERIAL CHANGES. Except as otherwise provided in Section 4(n), if at any time during the term of this Agreement any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Agents or counsel for the Trust, to amend the S-1 Registration Statement in order that the S-1 Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or to amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time the Prospectus is delivered to a purchaser, or if it shall be necessary, in the opinion of any such counsel, to amend the S-1 Registration Statement or amend or supplement the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, as applicable, the Trust shall give immediate notice, confirmed in writing, to the Agents to cease the solicitation of offers for the purchase of Notes in their capacity as agent and to cease sales of any Notes they may then own as principal, and the Trust will promptly prepare and file with the Commission, subject to Section 4(b) hereof, such amendment or supplement as may be necessary to correct such statement or omission or to make the S-1 Registration Statement and Prospectus comply with such requirements, and the Trust will furnish to the Agents, without charge, such number of copies of such amendment or supplement as the Agents may reasonably request. In addition, the Trust will comply with the 1933 Act, the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations so as to permit the completion of the distribution of each offering of Notes.

(h) PERIODIC FINANCIAL INFORMATION. Except as otherwise provided in Section 4(n), on or prior to the date on which there shall be released to the general public interim financial statement information related to the Company or the Trust with respect to each of the first three quarters of any fiscal year or preliminary financial statement information with respect to any fiscal year, the Trust shall, and the Trust agrees to cause the Company to, furnish such information to the Agents, confirmed in writing, and thereafter promptly shall cause the Prospectus to be amended or supplemented to include financial information with respect thereto and corresponding information for the comparable period of the preceding fiscal year, as well as such other information and explanations, to the extent required by the 1933 Act or the 1933 Act Regulations.

(i) AUDITED FINANCIAL INFORMATION. Except as otherwise provided in Section 4(n), on or prior to the date on which there shall be released to the general public financial information included in or derived from the audited consolidated financial statements of the Company or

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Trust for the preceding fiscal year, the Trust shall, and the Trust agrees to cause the Company to, as applicable, furnish such information to the Agent, confirmed in writing, and thereafter promptly shall cause the Prospectus to be amended or supplemented to include such audited consolidated financial statements and the report or reports, and consent or consents to such inclusion, of the independent accountants with respect thereto, as well as such other information and explanations, to the extent required by the 1933 Act or the 1933 Act Regulations.

(j) REPORTING REQUIREMENTS. The Trust, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods prescribed by the 1934 Act and the 1934 Act Regulations.

(k) RESTRICTIONS ON THE OFFER AND SALE OF SECURITIES TO INSTITUTIONAL PURCHASERS. Unless otherwise agreed upon between one or more Agents, on one hand, and the Company and Trust, on the other hand, from the date of the agreement by such Agent(s) to purchase the related Notes from the Trust to and including the Settlement Date with respect thereto, the Trust will not, without

the prior written consent of such Agent(s), issue, sell, offer or contract to sell, grant any option for the sale of, or otherwise dispose of, any substantially similar debt securities of the Trust to the same potential institutional investors (other than Notes to be offered and/or sold to or through such Agent(s)).

(l) RESTRICTIONS ON THE OFFER AND SALE OF SECURITIES TO RETAIL PURCHASERS. Unless otherwise agreed upon between the Retail Agent, on the one hand, and the Company and Trust, on the other hand, from the date the retail pricing levels are posted out to the selling group members through and including the applicable Settlement Date with respect thereto, the Trust will not, without the prior written consent of the Retail Agent, issue, sell, offer or contract to sell, grant any option for the sale of, or otherwise dispose of, any substantially similar debt securities of the Trust to the same potential retail investors (other than Notes to be offered and/or sold to or through the Retail Agent).

(m) USE OF PROCEEDS. The Trust will use the net proceeds received by it from the issuance and sale of the Notes in the manner specified in the Prospectus.

(n) SUSPENSION OF CERTAIN OBLIGATIONS. The Trust shall not be required to comply with the provisions of Sections 4(g), (h) or (i) during any period from the time (i) the Agents shall have suspended solicitation of offers for the purchase of Notes in their capacity as agents pursuant to a request from the Trust and (ii) no Agent shall then hold any Notes purchased from the Trust as principal until the time the Trust shall determine that solicitation of offers for the purchase of Notes should be resumed or an Agent shall subsequently purchase Notes from the Trust as principal.

(o) LISTING. The Trust shall use reasonable efforts to obtain and maintain approval for the listing of at least one series of the Notes on a national securities exchange as defined in Section 18(a)(3)(B) of the 1933 Act until such time as the Notes of any series are outstanding.

(p) OUTSTANDING AGGREGATE PRINCIPAL AMOUNT OF NOTES. The Trust will promptly, upon request by an Agent notify such Agent of the aggregate principal amount of Notes from

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time to time outstanding under the Program in their currency of denomination and (if so requested) expressed in United States dollars. For the purpose of determining the aggregate principal amount of Notes outstanding (i) the principal amount of Notes, denominated in a currency other than United States dollars shall be converted into United States dollars using the spot rate of exchange for the purchase of the relevant currency against payment of United States dollars being quoted by the Paying Agent or Calculation Agent, as applicable, each as defined in the Indenture on the date on which the relevant Notes were initially offered, (ii) any Notes which provide for an amount less than the principal amount thereof to be due and payable upon redemption following an Event of Default as defined in the Indenture in respect of such Notes, shall have a principal amount equal to their redemption amount, (iii) any zero coupon (and any other Notes issued at a discount or premium) shall have a principal amount equal to their issue amount and (iv) the currency in which any Notes are payable, if different from the currency of their denomination, shall be disregarded.

(q) BLUE SKY QUALIFICATIONS. The Company and the Trust shall endeavor to qualify the Notes for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Agents shall reasonably request and to maintain such qualifications for as long as such Agents shall reasonably request.

(r) DEPOSITORY TRUST COMPANY. The Trust shall endeavor to assist the Agents in arranging to cause the Notes to be eligible for settlement through the facilities of the Depository Trust Company ("DTC").

(s) NOTICE OF AMENDMENT TO INDENTURE, TRUST AGREEMENT OR ANY SERIES TRUST SUPPLEMENT. The Trust will give the Agents at least three (3) business days' prior notice in writing of any proposed amendment to the Indenture, Trust Agreement or any Series Trust Supplement and, except in accordance with the applicable provisions of the Indenture, Trust Agreement or applicable Series Trust Supplement, not make or permit to become effective any amendment to the Indenture, Trust Agreement or such Series Trust Supplement which may adversely affect the interests of the Agents or any holder of any outstanding Notes without the consent of the affected party.

(t) AUTHORIZATION TO ACT ON BEHALF OF THE TRUST. The Trust will, from time to time, without request, deliver to the Agents a certificate as to the names and signatures of those persons authorized to act on behalf of the Trust in relation to the Program if such information has changed.

(u) NOTICE OF MEETING. The Trust will furnish to the Agents, at the same time as it is dispatched, a copy of notice of any meeting of the holders of Notes which is called to consider any matter which is material in the context of the Trust.

#### SECTION 5. CONDITIONS OF AGENT'S OBLIGATIONS.

The obligations of one or more Agents to purchase Notes from the Trust as principal, the obligations of an Agent to solicit offers for the purchase of Notes as an agent of the Trust and the obligations of any purchasers of Notes sold through an Agent as an agent of the Trust, will be subject to the accuracy of the representations and warranties on the part of the Trust herein

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contained, and the accuracy of the representations and warranties on the part of the Company contained in the Representations and Indemnity Agreement entered into, as of even date herewith, by and among the Company and the Agents to this Agreement (the "REPRESENTATIONS AND INDEMNITY AGREEMENT") or contained in any certificate of an officer or trustee of the Trust or the Company delivered pursuant to the provisions hereof and thereof, as applicable, to the performance and observance by the Trust of its covenants and other obligations hereunder or the performance and observance by the Company of its covenants and other obligations under the Representations and Indemnity Agreement, and to the following additional conditions precedent:

(a) EFFECTIVENESS OF THE S-1 REGISTRATION STATEMENT, S-3 REGISTRATION STATEMENT AND FORM 10. The S-1 Registration Statement (including any Rule 462(b) Registration Statement), the S-3 Registration Statement (including any Rule 462(b) Registration Statement) and the Form 10 have become effective under the 1933 Act and the 1934 Act, as applicable, and no stop order suspending the effectiveness of the S-1 Registration Statement or S-3 Registration Statement shall have been issued under the 1933 Act or the 1934 Act, as applicable, and no proceedings for that purpose shall have been instituted or shall be pending or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Agents.

(b) LEGAL OPINIONS. On the date hereof, the Agents shall have received the following legal opinions, dated as of the date hereof and in form and substance satisfactory to the Agent:

(i) OPINION OF THE GENERAL COUNSEL FOR THE COMPANY. The opinion of Michael J. Velotta, General Counsel for the Company, to the effect set forth in EXHIBIT B hereto and to such further effect as the Agents may reasonably request.

(ii) OPINION OF COUNSEL FOR THE AGENTS. The opinion of Sidley Austin Brown & Wood LLP, counsel for the Agents, with respect to the matters set forth in EXHIBIT C hereto.

(iii) OPINION OF COUNSEL FOR THE TRUST. The opinion of Richards, Layton & Finger, counsel for the Trust, to the effect set forth in EXHIBIT D hereto and to such further effect as the Agents may reasonably request.

(iv) OPINION OF COUNSEL FOR THE COMPANY. The opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel for the Company, to the effect set forth in EXHIBIT E hereto and to such further effect as the Agents may reasonably request.

(v) OPINION OF COUNSEL FOR THE COMPANY CONCERNING CERTAIN TAX MATTERS. The opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel for the Company, to the effect set forth in EXHIBIT F hereto and to such further effect as the Agents may reasonably request.

(vi) OPINION OF COUNSEL FOR THE COMPANY CONCERNING CERTAIN INSURANCE MATTERS. The opinion of Lord, Bissell & Brook, counsel for the Company, to the effect set forth in EXHIBIT G hereto and to such further effect as the Agents may reasonably request.

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(vii) OPINION OF COUNSEL FOR THE COMPANY CONCERNING CERTAIN INSURANCE MATTERS. The opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel for the Company, to the effect set forth in EXHIBIT H hereto and to such further effect as the Agents may reasonably request.

(c) TRUST OFFICER'S CERTIFICATE. The Trust shall have furnished to the

Agents a certificate of the Trust, signed by the Administrator of the Trust, dated the date of such certificate, to the effect that the signatory of such certificate has carefully examined the S-1 Registration Statement, the Prospectus and amendments and supplements thereto and this Agreement and that:

(i) the representations and warranties of the Trust in this Agreement are true and correct on and as of the date of such certificate with the same effect as if made on the date hereof and the Trust has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date of such certificate;

(ii) no stop order suspending the effectiveness of the S-1 Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Trust's knowledge, threatened; and

(iii) since the date of the Prospectus there has occurred no event required to be set forth in an amendment or supplement to the S-1 Registration Statement or Prospectus, and there has been no document required to be filed under the 1933 Act, the 1933 Act Regulations, the 1934 Act or the 1934 Act Regulations which, upon filing, would be deemed to be incorporated by reference in the Prospectus which has not been so filed.

(d) COMPANY OFFICER'S CERTIFICATE. The Company shall have furnished to the Agents a certificate of the Company, signed by either the Chairman of the Board, Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, Secretary, General Counsel or Treasurer of the Company, dated the date of such certificate, to the effect that the signatory of such certificate has carefully examined the S-3 Registration Statement, the Prospectus and amendments and supplements thereto and this Agreement and that:

(i) no stop order suspending the effectiveness of the S-3 Registration Statement or Form 10 has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and

(ii) since the date of the Prospectus there has occurred no event required to be set forth in an amendment or supplement to the S-3 Registration Statement, Prospectus or Form 10, and there has been no document required to be filed under the 1933 Act, the 1933 Act Regulations, the 1934 Act or the 1934 Act Regulations which, upon filing, would be deemed to be incorporated by reference in the Prospectus which has not been so filed.

(e) COMFORT LETTER OF ACCOUNTANTS TO THE COMPANY. On the date hereof, the Agents shall have received a letter from Deloitte & Touche LLP or its successor, as accountants to the

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Company (the "ACCOUNTANTS"), dated as of the date hereof, and in form and substance satisfactory to the Agent, to the effect set forth in EXHIBIT I hereto.

(f) ADDITIONAL DOCUMENTS. On the date hereof, counsel to the Agents shall have been furnished with such documents and opinions as such counsel may require for the purpose of enabling such counsel to pass upon the issuance and sale of Notes as herein contemplated and related proceedings, or in order to evidence the accuracy of any of the representations and warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company and Trust in connection with the issuance and sale of the Notes as herein contemplated shall be satisfactory in form and substance to the Agents and to counsel to the Agents.

If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the applicable Agent(s) by notice to the Trust at any time and any such termination shall be without liability of any party to any other party except as provided in Section 10 hereof and except that Sections 8, 9, 11, 14 and 15 hereof shall survive any such termination and remain in full force and effect.

#### SECTION 6. DELIVERY OF AND PAYMENT FOR NOTES SOLD THROUGH AN AGENT AS AGENT.

Delivery of Notes sold through an Agent as an agent of the Trust shall be made by the Trust to such Agent for the account of any purchaser only against payment therefor in immediately available funds. In the event that a purchaser shall fail either to accept delivery of or to make payment for a Note on the date fixed for settlement, such Agent shall promptly notify the Trust and deliver such Note to the Trust and, if such Agent has theretofore paid the Trust for such Note, the Trust will promptly return such funds to such Agent. If such failure has occurred for any reason other than default by such Agent in the

performance of its obligations hereunder, the Trust will reimburse such Agent on an equitable basis for its loss of the use of the funds for the period such funds were credited to the Trust's account.

#### SECTION 7. ADDITIONAL COVENANTS OF THE TRUST.

The Trust further covenants and agrees with each Agent as follows:

(a) REAFFIRMATION OF REPRESENTATIONS AND WARRANTIES. Each acceptance by the Trust of an offer for the purchase of Notes (whether to one or more Agents as principal or through one or more Agents as agent), and each delivery of Notes (whether to one or more Agents as principal or through an Agent as agent) shall be deemed to be an affirmation that the representations and warranties of the Trust contained in any certificate theretofore delivered to such Agent pursuant hereto are true and correct at the time of such acceptance or sale, as the case may be, and an undertaking that such representations and warranties will be true and correct at the time of delivery to such Agent(s) or to the purchaser or its agent, as the case may be, of the Notes relating to such acceptance or sale, as the case may be, as though made at and as of each such time (it being understood that such representations and warranties shall relate to the Registration Statement and Prospectus as amended and supplemented to each such time).

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(b) SUBSEQUENT DELIVERY OF CERTIFICATES. Each time that (i) the S-1 Registration Statement, S-3 Registration Statement or Prospectus shall be amended or supplemented (other than by (A) an amendment or supplement providing solely for the determination of the variable terms of the Notes and (B) an amendment deemed to have occurred as a result of a periodic filing by the Company or the Trust under the 1934 Act or the 1934 Act Regulations, except any quarterly report of the Company or Trust on Form 10-Q or any annual report of the Company or the Trust on Form 10-K (any such report, an "SEC Periodic Report")), (ii) (if required in connection with the purchase of Notes from the Trust by one or more Agents as principal) the Trust sells Notes to one or more Agents as principal or (iii) the Trust sells Notes in a form not previously certified to the Agents by the Trust, the Trust shall, and the Trust agrees to cause the Company to, furnish or cause to be furnished to the Agents, forthwith a certificate dated the date of filing with the Commission or the date of effectiveness of such amendment or supplement, as applicable, or the date of such sale, as the case may be, in form satisfactory to the Agents to the effect that the statements contained in the certificate referred to in Sections 5(c) and 5(d) hereof which were last furnished to the Agents are true and correct at the time of the filing or effectiveness of such amendment or supplement, as applicable, or the time of such sale, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the S-1 Registration Statement, the S-3 Registration Statement and the Prospectus as amended and supplemented to such time) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in Sections 5(c) and 5(d) hereof, modified as necessary to relate to the S-1 Registration Statement, the S-3 Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate (it being understood that, in the case of clause (ii) above, any such certificate shall also include a certification that there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise or of the Trust since the date of the agreement by such Agent to purchase Notes from the Trust as principal); PROVIDED, HOWEVER, that any delivery of certificates as required by this Section 7(b) due to the filing of an SEC Periodic Report shall only be required to be delivered prior to the pricing date for the series of Notes issued immediately after such SEC Periodic Report.

(c) SUBSEQUENT DELIVERY OF LEGAL OPINIONS. Each time that (i) the S-1 Registration Statement, S-3 Registration Statement or Prospectus shall be amended or supplemented (other than by (A) an amendment or supplement providing solely for the determination of the variable terms of the Notes and (B) an amendment deemed to have occurred as a result of a periodic filing by the Company or the Trust under the 1934 Act or the 1934 Act Regulations, except any SEC Periodic Report), (ii) (if required in connection with the purchase of Notes from the Trust by one or more Agents as principal) the Trust sells Notes to one or more Agents as principal or (iii) the Trust sells Notes in a form not previously certified to the Agents by the Trust, the Trust agrees to cause the Company to furnish or cause to be furnished forthwith to the Agents and to counsel to the Agents the written opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel to the Company, or other counsel satisfactory to the Agent, dated the date of filing with the Commission or the date of effectiveness of such amendment or supplement, as applicable, or the date of such sale, as the case may be, in form and substance satisfactory to the Agent, of the same tenor as the opinion referred to in Section 5(b)(iv) hereof, but modified, as necessary, to relate to the S-1 Registration Statement, S-3 Registration Statement and the Prospectus as amended and supplemented to the time of delivery

counsel last furnishing such opinion to the Agents shall furnish such Agents with a letter substantially to the effect that the Agents may rely on such last opinion to the same extent as though it was dated the date of such letter authorizing reliance (except that statements in such last opinion shall be deemed to relate to the S-1 Registration Statement, S-3 Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such letter authorizing reliance); PROVIDED, HOWEVER, that any delivery of opinions as required by this Section 7(c) due to the filing of an SEC Periodic Report shall only be required to be delivered prior to the pricing date for the series of Notes issued immediately after such SEC Periodic Report. As of each -, the Trust agrees to furnish or cause to be furnished forthwith to the Agents the written opinion of Sidley Austin Brown & Wood LLP, counsel to the Agents, or such other counsel reasonably satisfactory to the Agents, dated as of the date of the filing of such Form 10-K with the Commission, of the same tenor as the opinion referred to in Section 5(b)(ii) hereof, but modified, as necessary, to relate to the S-1 Registration Statement, S-3 Registration Statement and Prospectus as amended and supplemented to the time of delivery of such opinion.

(d) SUBSEQUENT DELIVERY OF COMFORT LETTERS. Each time that (i) the S-1 Registration Statement, S-3 Registration Statement or the Prospectus shall be amended or supplemented to include additional financial information (other than by (A) an amendment or supplement providing solely for the determination of the variable terms of the Notes and (B) an amendment deemed to have occurred as a result of a periodic filing by the Company or the Trust under the 1934 Act or the 1934 Act Regulations, except any SEC Periodic Report) or (ii) (if required in connection with the purchase of Notes from the Trust by one or more Agents as principal) the Trust sells Notes to one or more Agents as principal, the Trust agrees to cause the Company to cause the Accountants forthwith to furnish to the Agents a letter, dated the date of filing with the Commission or the date of effectiveness of such amendment or supplement, as applicable, or the date of such sale, as the case may be, in form satisfactory to the Agents, of the same tenor as the letter referred to in Section 5(e) hereof but modified to relate to the S-1 Registration Statement, S-3 Registration Statement and Prospectus as amended and supplemented to the date of such letter; PROVIDED, HOWEVER, that any delivery of any letter as required by this Section 7(d) due to the filing of an SEC Periodic Report shall only be required to be delivered prior to the pricing date for the series of Notes issued immediately after such SEC Periodic Report.

#### SECTION 8. INDEMNIFICATION.

(a) INDEMNIFICATION OF THE AGENT. The Trust agrees to indemnify and hold harmless each Agent and each person, if any, who controls such Agent within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of an untrue statement or alleged untrue statement of a material fact contained in the S-1 Registration Statement (or any amendment thereto) or S-3 Registration Statement (or any amendment thereto) or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of an untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of

a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, provided that (subject to Section 8(d) hereof) any such settlement is effected with the written consent of the Trust; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by such Agent), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to

the extent that any such expense is not paid under subparagraph (i) or (ii) above;

PROVIDED, HOWEVER, that this indemnity does not apply to any loss, liability, claim, damage or expense to the extent arising out of (i) an untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Trust by the Agents concerning the Agents expressly for use in the S-1 Registration Statement (or any amendment thereto) or S-3 Registration Statement (or any amendment thereto) or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), (ii) any use of the Prospectus by the Agents to sell Notes or solicit offers for the purchase of Notes (x) after such time as the Trust shall have provided written notice pursuant to Section 4(g) hereunder or the Company shall have provided written notice pursuant to Section 2(f) of the Representations and Indemnity Agreement, to the Agents to cease the sale of Notes and solicitation of offers for the purchase of Notes and (y) before such time as the Trust and the Company shall have furnished the Agents with copies of such amendment or supplement to the Prospectus pursuant to Section 4(g) hereunder or Section 2(f) of the Representations and Indemnity Agreement or (iii) a claim for indemnity made under the Representations and Indemnity Agreement, only to the extent such claim has previously been satisfied by the Company pursuant to the terms of the Representations and Indemnity Agreement.

(b) INDEMNIFICATION OF THE TRUST. Each Agent agrees, severally but not jointly, to indemnify and hold harmless the Trust, its administrator, directors, officers and trustees (if applicable) who signed the S-1 Registration Statement and each person, if any, who controls the Trust within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 8(a) hereof, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the S-1 Registration Statement (or any amendment thereto) or S-3 Registration Statement (or any amendment thereto) or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Trust by such Agent concerning such Agent expressly for use in the S-1 Registration Statement (or any amendment

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thereto) or S-3 Registration Statement Amendment (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) ACTIONS AGAINST PARTIES; NOTIFICATION. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 8(a) hereof or Section 5(a) of the Representations and Indemnity Agreement, counsel to the indemnified parties shall be selected by the applicable Agent(s) and, in the case of parties indemnified pursuant to Section 8(b) hereof or Section 5(b) of the Representations and Indemnity Agreement, counsel to the indemnified shall be selected by the Trust and the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties (collectively with any other indemnifying parties in connection with the Representations and Indemnity Agreement), whether such indemnity is claimed hereunder or under the Representations and Indemnity Agreement, be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

No indemnifying party under this Agreement or the Representations and Indemnity Agreement shall, without the prior written consent of the indemnified parties under this Agreement and the Representations and Indemnity Agreement, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 8 or Section 9 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by

or on behalf of any indemnified party.

(d) SETTLEMENT WITHOUT CONSENT IF FAILURE TO REIMBURSE. If at any time an indemnified party shall have requested in writing an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 8(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

#### SECTION 9. CONTRIBUTION.

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If the indemnification provided for in Section 8 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Trust, on one hand, and the applicable Agent(s), on the other hand, from the offering of the Notes that were the subject of the claim for indemnification or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Trust, on one hand, and the applicable Agent(s), on the other hand, in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Trust, on the one hand, and the applicable Agent(s), on the other hand, in connection with the offering of the Notes that were the subject of the claim for indemnification shall be deemed to be in the same respective proportions as the total net proceeds from the offering of such Notes (before deducting expenses) received by the Trust and the total discount or commission received by the applicable Agent(s), as the case may be, bears to the aggregate initial offering price of such Notes.

The relative fault of the Trust, on one hand, and the applicable Agent(s), on the other hand, shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Trust, on one hand, or by the applicable Agent(s), on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The parties agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Agents were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 9. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 9 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any applicable untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 9, (i) no Agent shall be required to contribute any amount in excess of the amount by which the total discount or commission received by such Agent in connection with the offering of the Notes that were the subject of the claim for indemnification exceeds the amount of any damages which such Agent has otherwise been required to pay by reason of any applicable untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. In addition, in connection with an offering of Notes purchased from the Trust by two or more Agents as principal, the respective obligations of such

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Agents to contribute pursuant to this Section 9 are several, and not joint, in proportion to the aggregate principal amount of Notes that each such Agent has



agreed to purchase from the Trust.

For purposes of this Section 9, each person, if any, who controls an Agent within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Agent, and each director, officer and trustee (if applicable) of the Trust, and each person, if any, who controls the Trust within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Trust.

#### SECTION 10. PAYMENT OF EXPENSES.

The Trust will pay all expenses incident to the performance of the obligations of the Company and Trust under this Agreement, including:

(a) The preparation, filing, printing and delivery of the S-1 Registration Statement and S-3 Registration Statement as originally filed and all amendments thereto and any preliminary prospectus, the Prospectus and any amendments or supplements thereto;

(b) The preparation, printing and delivery of the Program Documents;

(c) The preparation, issuance and delivery of the Notes, including any fees and expenses relating to the eligibility and issuance of Notes in book-entry form and the cost of obtaining CUSIP or other identification numbers for the Notes;

(d) The fees and disbursements of the Company's and Trust's accountants, counsel and other advisors or agents (including any calculation agent or exchange rate agent) and of the Delaware Trustee, Administrator and Indenture Trustee and their counsel;

(e) The reasonable fees and disbursements of counsel to the Agents incurred in connection with the maintenance of the Program and, unless otherwise agreed, incurred from time to time in connection with the transactions contemplated hereby;

(f) The fees charged by the nationally recognized statistical rating organizations for the rating of the Program and the Notes;

(g) The fees and expenses incurred in connection with any listing of Notes on a securities exchange;

(h) The filing fees incident to, and the reasonable fees and disbursements of counsel to the Agents in connection with, the review, if any, by the National Association of Securities Dealers, Inc. (the "NASD"); and

(i) Any reasonable advertising and other out-of-pocket expenses of the Agents incurred with the approval of the Company and Trust.

#### SECTION 11. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY.

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All representations, warranties and agreements contained in this Agreement, in certificates of the officers of the Administrator or Delaware Trustee of the Trust submitted pursuant hereto or thereto shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Agents or any controlling person of the Agents, or by or on behalf of the Company or the Trust, and shall survive each delivery of and payment for the Notes.

#### SECTION 12. TERMINATION.

(a) TERMINATION OF THIS AGREEMENT. This Agreement (excluding any agreement by one or more Agents to purchase Notes from the Trust as principal) may be terminated for any reason, at any time by (i) the Trust as to all the Agents or one or more but less than all the Agents, or (ii) an Agent as to itself, upon the giving of thirty (30) days' prior written notice of such termination to the other parties hereto.

(b) TERMINATION OF AGREEMENT TO PURCHASE NOTES AS PRINCIPAL. The applicable Agent(s) may terminate any agreement by such Agent(s) to purchase Notes from the Trust as principal, immediately upon notice to the Trust, at any time on or prior to the Settlement Date relating thereto, if (i) there has been, since the date of such agreement or since the respective dates as of which information is given in the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, or of the Trust, whether or not arising in the ordinary course of business, or (ii) there has occurred any material adverse change in the

financial markets in the United States or any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development or event involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of such Agent(s), impracticable or inadvisable to market such Notes or enforce contracts for the sale of such Notes, (iii) trading in any securities of the The Allstate Corporation, a publicly owned holding company incorporated under the laws of the State of Delaware (the "CORPORATION"), Allstate Insurance Company, a stock property-liability insurance company incorporated under the laws of the State of Illinois ("AIC"), the Company, or Trust has been suspended or materially limited by the Commission or a national securities exchange, or if trading generally on the New York Stock Exchange or the American Stock Exchange or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by either of said exchanges or by such system or by order of the Commission, the NASD or any other governmental authority, or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States, (iv) a banking moratorium has been declared by either Federal or New York authorities or by the relevant authorities in the country or countries of origin of any foreign or composite currency in which such Notes are denominated or payable, (v) the rating assigned by any nationally recognized statistical rating organization to the Program or any other debt securities (including the Notes) of the Trust or the financial strength of the Company as of the date of such agreement shall have been lowered or withdrawn since that date or if any such rating organization shall have publicly announced that it has under surveillance or review its rating, with possible negative implications, of the Program or any such debt securities (including the Notes) of the Trust or the financial strength of the Company or (vi) there shall have come to the attention of such Agent(s) any facts

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that would cause such Agent(s) to believe that the Prospectus, at the time it was required to be delivered to a purchaser of such Notes, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time of such delivery, not misleading.

(c) GENERAL. In the event of any such termination, neither party will have any liability to the other party hereto, except that (i) the Agent(s) shall be entitled to any commissions earned in accordance with the third paragraph of Section 3(b) hereof, (ii) if at the time of termination (a) any Agent shall own any Notes purchased by it from the Trust as principal or (b) an offer to purchase any of the Notes has been accepted by the Trust but the time of delivery to the purchaser or his agent of such Notes relating thereto has not occurred, the covenants set forth in Sections 4 and 7 hereof shall remain in effect until such Notes are so resold or delivered, as the case may be, and (iii) the provisions of Section 10 hereof, the indemnity and contribution agreements set forth in Sections 8 and 9 hereof, and the provisions of Sections 11, 14 and 15 hereof shall remain in effect.

#### SECTION 13. NOTICES.

Unless otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, either delivered by hand, by mail or by telex, telecopier or telegram, and any such notice shall be effective when received at the address specified below.

If to the Trust:

Allstate Life Global Funding  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard  
Suite 318  
Charlotte, NC 28211  
Attention: President  
Telecopy No.: (704) 365-1632

With a copy to the Company at the address set forth below.

If to the Agents:

To each Agent at the address specified in SCHEDULE 1.

With a copy to the Company at the address set forth below.

Address of the Company:

Allstate Life Insurance Company

or at such other address as such party or the Company may designate from time to time by notice duly given in accordance with the terms of this Section 13.

SECTION 14. PARTIES.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, officers and directors referred to in Sections 8 and 9 hereof and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors, and said controlling persons, officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Notes shall be deemed to be a successor by reason merely of such purchase.

SECTION 15. GOVERNING LAW; FORUM.

THIS AGREEMENT AND ALL THE RIGHTS AND OBLIGATIONS OF THE PARTIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. ANY SUIT, ACTION OR PROCEEDING BROUGHT BY THE TRUST AGAINST ANY AGENT IN CONNECTION WITH OR ARISING UNDER THIS AGREEMENT SHALL BE BROUGHT SOLELY IN THE STATE OR FEDERAL COURT OF APPROPRIATE JURISDICTION LOCATED IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK.

SECTION 16. EFFECT OF HEADINGS.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 17. COUNTERPARTS.

This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts hereof shall constitute a single instrument.

SECTION 18. AMENDMENTS.

This Agreement may be amended or supplemented if, but only if, such amendment or supplement is in writing and is signed by the Trust, and the Agents. The Trust may from time to time nominate any institution as a new Agent hereunder either in respect of the Program generally or in relation to a particular series or tranche of Notes only; in which event, upon confirmation by such institution of an initial purchaser accession letter (the "AGENT ACCESSION LETTER") in the terms or substantially in the form of EXHIBIT J, such institution shall become a party hereto, subject as provided below, with all the authority, rights, powers, duties and obligations of an Agent as if originally named as an Agent hereunder; provided further that, in

the case of an institution which has become an Agent in relation to a particular tranche of Notes, following the issue of the relevant Notes in respect of the relevant tranche, the relevant new Agent shall have no further authority rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issue of such tranche of Notes. Any Agent that executes a counterpart to this Agreement shall simultaneously execute a counterpart to the Representations and Indemnity Agreement.

SECTION 19. SERIES TRUST.

The Trust constitutes a trust, organized in series, pursuant to Sections 3804 and 3806(b)(2) of the Delaware Statutory Trust Act; as such, separate and distinct records shall be maintained and the assets of the Trust with respect to each Series Trust shall be held and accounted for separately from the other assets of the Trust and other Series Trusts; the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to each Series Trust shall be enforceable against the assets of such Series Trust only, and not against the assets of the Trust generally or the assets of any other

SECTION 20. STABILIZATION.

The Agent(s) may, to the extent permitted by applicable laws, over-allot and effect transactions in any over-the-counter market or otherwise in connection with the distribution of the Notes with a view to supporting the market price of Notes at levels higher than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. In such circumstances, as between the Trust, on one hand, and one or more Agents, on the other hand, such Agent(s) shall act as principal, and any loss resulting from stabilization shall be borne, and any profit arising therefrom and any sum received by such Agent(s) shall be beneficially retained by such Agent(s), as the case may be, for such Agents' own account.

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If the foregoing is in accordance with the Agents' understanding of our agreement, please sign and return to the Trust a counterpart hereof, whereupon this Agreement, along with all counterparts, will become a binding agreement by and between the Agents and the Trust in accordance with its terms.

Very truly yours,

ALLSTATE LIFE GLOBAL FUNDING

By: \_\_\_\_\_  
Name:  
Title:

CONFIRMED AND ACCEPTED,  
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED

By: \_\_\_\_\_  
Authorized Signatory

[OTHER AGENTS]

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INDEX OF EXHIBITS AND SCHEDULES

EXHIBITS

- Exhibit A - Pricing Terms
- Exhibit B - Form of Opinion of General Counsel to the Company
- Exhibit C - Form of Opinion of Sidley Austin Brown & Wood LLP, counsel to the Agents
- Exhibit D - Form of Opinion of Richards Layton & Finger, counsel to the Trust
- Exhibit E - Form of Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P. counsel to the Company
- Exhibit F - Form of Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P. counsel to the Company
- Exhibit G - Form of Opinion of Lord, Bissell & Brook, counsel to the Company
- Exhibit H - Form of Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P. counsel to the Company
- Exhibit I - Form of Comfort Letter of Deloitte & Touche, LLP, accountants to the Company
- Exhibit J - Form of Agent Accession Letter

SCHEDULES

- Schedule 1 - List of Agents
- Schedule 2 - Commission/Discount Schedule

## REPRESENTATIONS AND INDEMNITY AGREEMENT

\_\_\_\_\_, 2002

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

Dear Sirs:

Allstate Life Insurance Company, an Illinois stock life insurance company (the "COMPANY"), in connection with the Allstate Life Global Funding Medium-Term Note Program (the "PROGRAM") and in consideration of the Distribution Agreement entered into, as of even date herewith, by and among Merrill Lynch, Pierce, Fenner & Smith Incorporated and each other institution named on SCHEDULE 1 thereto (the "DISTRIBUTION AGREEMENT"), confirms its agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated and each other institution named on SCHEDULE 1 thereto (each, an "AGENT") with respect to the issue and sale by the Trust of notes due nine months or more from the date of issuance (the "NOTES"). The Trust will use the proceeds from the sale of the Notes to purchase one or more funding agreements (each a "FUNDING AGREEMENT") from the Company. The Notes will be secured by the Funding Agreement(s) which will be assigned by the Trust with respect to each series of Notes to the Indenture Trustee on behalf of the holders of the Notes of each applicable series pursuant to the Indenture. In connection with the sale of Notes, the Trust will prepare a Pricing Supplement (the "PRICING SUPPLEMENT") including or incorporating by reference a description of the terms of the Notes, the terms of the offering and a description of the series of the Trust through which such Notes are being issued.

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to them in the Distribution Agreement.

The Agents include those institutions named from time to time in SCHEDULE 1 to the Distribution Agreement and pursuant to Section 14 of this Agreement. If any institution is appointed as an Agent only with respect to a particular series of Notes of the Trust, such institution shall only be an Agent with respect to such series of Notes of the Trust.

The Company has registered shares of its common stock with the Securities and Exchange Commission (the "COMMISSION") pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "1934 ACT") on Form 10 (as amended, if applicable, the "FORM 10") under the 1934 Act. The Company has filed with the Commission a registration statement on Form S-3 (No. 333-\_\_\_\_\_) (as amended, if applicable, the "S-3 REGISTRATION STATEMENT") for the registration of Funding Agreements by the Company under the Securities Act of 1933, as amended (the "1933 ACT"), and the Trust has filed with the Commission a Registration Statement on Form S-1 (No. 333-\_\_\_\_\_) as amended, if applicable, (as amended, if applicable, the "S-1 REGISTRATION STATEMENT") for the registration of Notes by the Trust under the 1933 Act, and the offering thereof in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the "1933 ACT REGULATIONS"). The S-1 Registration

Statement, S-3 Registration Statement and Form 10 have been declared effective by the Commission and the Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended (the "1939 ACT"), and the Company has filed such post-effective amendments thereto as may be required prior to the Trust's acceptance of any offer for the purchase of Notes and each such post-effective amendment has been declared effective by the Commission. The Form 10, the S-1 Registration Statement and the S-3 Registration Statement are collectively referred to as the "REGISTERED DOCUMENTS"; and the final prospectus and all applicable amendments or supplements thereto (including the final prospectus supplement and Pricing Supplement relating to the offering of Notes), in the form first furnished to the applicable Agent for use in confirming sales of Notes, are collectively referred to herein as the "PROSPECTUS"; provided, however, that all references to the "S-3 Registration Statement" and the "Prospectus" shall also be deemed to include all documents incorporated therein by reference pursuant to the 1934 Act, prior to any acceptance by the Trust of an offer for the purchase of Notes; provided, further, that if the Company or the Trust file a registration statement with the Commission pursuant to Rule 462(b) of the 1933 Act Regulations (the "RULE 462(b) REGISTRATION STATEMENT"), then, after such filing, all references to the "S-1 Registration Statement" and the "S-3 Registration Statement" shall also be deemed to include the Rule 462(b) Registration Statement. A "PRELIMINARY PROSPECTUS" shall be deemed to refer to

any prospectus used before the S-1 Registration Statement and the S-3 Registration Statement became effective and any prospectus furnished by the Company or Trust after the S-1 Registration Statement and S-3 Registration Statement became effective and before any acceptance by the Trust of an offer for the purchase of Notes which omitted information to be included upon pricing in a form of prospectus filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations. For purposes of this Agreement, all references to the Form 10, S-1 Registration Statement, the S-3 Registration Statement, Prospectus or preliminary prospectus or to any amendment or supplement thereto shall be deemed to include any copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

All references in this Agreement to financial statements and schedules and other information which is "disclosed", "contained", "included" or "stated" (or other references of like import) in the Form 10, S-3 Registration Statement, Prospectus or preliminary prospectus shall be deemed to include all such financial statements and schedules and other information which is incorporated by reference in the Form 10, S-3 Registration Statement, Prospectus or preliminary prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Form 10, Registration Statement, Prospectus or preliminary prospectus shall be deemed to include the filing of any document under the 1934 Act which is incorporated by reference in the Form 10, the S-3 Registration Statement, Prospectus or preliminary prospectus, as the case may be.

#### SECTION 1. REPRESENTATIONS AND WARRANTIES.

(a) The Company represents and warrants to each Agent as of the date hereof, as of the date of each acceptance by the Trust of an offer for the purchase of Notes (whether to such Agent as principal or through such Agent as agent), as of the date of each delivery of Notes (whether to such Agent as principal or through such Agent as agent) (the date of each such delivery to such Agent as principal is referred to herein as a "SETTLEMENT DATE"), and as of any

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time that the Registered Documents or the Prospectus shall be amended or supplemented (each of the times referenced above is referred to herein as a "REPRESENTATION DATE"), as follows:

(i) DUE INCORPORATION, GOOD STANDING AND DUE QUALIFICATION OF THE COMPANY. The Company is validly existing as a stock life insurance company in good standing under the laws of the State of Illinois with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and Form 10 and to enter into this Agreement and consummate the transactions to be performed by the Company as contemplated in the Prospectus; the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to comply with any of the foregoing would not result in a material adverse change in the condition (financial or otherwise) or in the earnings or business affairs of the Company and its subsidiaries considered as one enterprise or on the power or ability of the Company to perform its obligations under the Program Documents to which the Company is a party or to consummate the transactions to be performed by the Company as contemplated in the Prospectus (a "COMPANY MATERIAL ADVERSE EFFECT"); all of the issued and outstanding shares of capital stock of the Company have been duly authorized and are validly issued, fully paid and non-assessable; and none of the outstanding shares of capital stock of the Company were issued in violation of preemptive or other similar rights of any securityholder of the Company.

(ii) DUE INCORPORATION, GOOD STANDING AND DUE QUALIFICATION OF SIGNIFICANT SUBSIDIARIES. Each significant subsidiary (as such term is defined in Rule 1-02 of Regulation S-X promulgated under the 1933 Act), if any (each, a "SIGNIFICANT SUBSIDIARY") is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and conduct its business as described in the Form 10 and Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to comply with any of the foregoing would not result in a Company Material Adverse Effect; all of the issued and outstanding shares of capital stock of each Significant Subsidiary has been duly authorized and is validly issued, fully paid and non-assessable and is 100% owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance,

claim or equity; and none of the outstanding shares of capital stock of any Significant Subsidiary was issued in violation of preemptive or other similar rights of any securityholder of such Significant Subsidiary.

(iii) S-3 REGISTRATION STATEMENT AND PROSPECTUS; FILING STATUS. The Company meets the requirements for use of Form S-3 under the 1933 Act; the S-3 Registration Statement (or any Rule 462(b) Registration Statement) has become effective under the 1933 Act and no stop order suspending the effectiveness of the S-3 Registration Statement (or any Rule 462(b) Registration Statement) has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the

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knowledge of the Company are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with; the Form 10 has become effective under the 1934 Act and no stop order suspending the effectiveness of the Form 10 has been issued under the 1934 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are threatened by the Commission, and any request on the part of the Commission for additional information has been complied with; the Indenture has been duly qualified under the 1939 Act; at the respective times that the S-3 Registration Statement (including any Rule 462(b) Registration Statement) and any post-effective amendment thereto (including the filing of the Company's most recent Annual Report on Form 10-K with the Commission) became effective and at each Representation Date, the S-3 Registration Statement (including any Rule 462(b) Registration Statement) and the Form 10 and any amendments thereto complied and will comply in all material respects with the applicable requirements of the 1933 Act and the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations and the 1939 Act and the 1939 Act Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; each preliminary prospectus and Prospectus filed as part of the S-3 Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act and the 1933 Act Regulations; each preliminary prospectus and the Prospectus delivered to an Agent for use in connection with the offering of Notes are identical in all material respects to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T; and at the date hereof, at the date of the Prospectus and each amendment or supplement thereto and at each Representation Date, neither the Prospectus nor any amendment or supplement thereto included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to (i) statements in or omissions from the S-3 Registration Statement or the Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the applicable Agents concerning such Agents expressly for use in the S-3 Registration Statement or the Prospectus or (ii) the parts of the S-3 Registration Statement which constitute the Statement of Eligibility and Qualification (Form T-1) of the Indenture Trustee under the 1939 Act.

(iv) INCORPORATED DOCUMENTS. The documents incorporated or deemed to be incorporated by reference in the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations and, when read together with the other information in the Prospectus, at the date hereof, at the date of the Prospectus and at each Representation Date, did not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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(v) INDEPENDENT ACCOUNTANTS. The accountants who certified the financial statements and any supporting schedules thereto included in the Form 10, the S-3 Registration Statement and the Prospectus are independent public accountants to the extent required by the 1933 Act and the 1933 Act Regulations.

(vi) COMPANY FINANCIAL STATEMENTS. The consolidated financial statements of the Company included in the Form 10, S-3 Registration Statement and the Prospectus, together with the related schedules and

notes, as well as those financial statements, schedules and notes of any entity included in the Form 10, S-3 Registration Statement and the Prospectus, present fairly the consolidated financial position of the Company and its subsidiaries, or such other entity, as the case may be, at the dates indicated and the consolidated statement of operations, stockholders' equity and cash flows of the Company and its subsidiaries, or such other entity, as the case may be, for the periods specified; such financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved; the supporting schedules, if any, included in the Form 10, S-3 Registration Statement and the Prospectus present fairly in accordance with GAAP the information required to be stated therein; the selected financial data and the summary financial information included in the Form 10, S-3 Registration Statement and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Form 10, S-3 Registration Statement and the Prospectus; and any pro forma consolidated financial statements of the Company and its subsidiaries and the related notes thereto included in the Form 10, S-3 Registration Statement and the Prospectus present fairly the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(vii) NO MATERIAL CHANGES. Since the respective dates as of which information is given in the S-3 Registration Statement, Form 10 and the Prospectus, except as otherwise stated therein, (1) there has been no event or occurrence that would result in a Company Material Adverse Effect and (2) there have been no transactions entered into by the Company or any of its Significant Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise.

(viii) AUTHORIZATION OF THIS AGREEMENT AND EACH FUNDING AGREEMENT. This Agreement has been and each Funding Agreement when issued will be duly authorized, executed and delivered by the Company and will be a valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law).

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(ix) ABSENCE OF DEFAULTS AND CONFLICTS. Neither the Company nor any of its subsidiaries is in violation of the provisions of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any of its subsidiaries is subject (collectively, "COMPANY AGREEMENTS AND INSTRUMENTS"), except for such defaults that would not result in a Company Material Adverse Effect; the execution, delivery and performance of this Agreement, each Funding Agreement and any other agreement or instrument entered into or issued or to be entered into or issued by the Company in connection with the transactions contemplated in the Prospectus, the consummation of the transactions contemplated in the Prospectus (including the issuance and sale of the Notes and the use of the proceeds therefrom as described in the Prospectus) and the compliance by the Company with its obligations thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its Significant Subsidiaries under, or result in the creation or imposition of any lien, charge or encumbrance upon any assets, properties or operations of the Company or any of its subsidiaries pursuant to, any Company Agreements and Instruments, nor will such action result in any violation of the provisions of the charter, articles or by-laws of the Company or any of its subsidiaries or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their assets, properties or operations.



(x) ABSENCE OF PROCEEDINGS. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or to the knowledge of the Company threatened, against or affecting the Company which is required to be disclosed in the Form 10, S-3 Registration Statement and the Prospectus (other than as stated therein), or which may reasonably be expected to result in a Company Material Adverse Effect, or which may reasonably be expected to materially and adversely affect the assets, properties or operations thereof, the performance by the Company of its obligations under this Agreement and the other Program Documents or the consummation of the transactions contemplated in the Prospectus; and the aggregate of all pending legal or governmental proceedings to which the Company is a party or of which any of its assets, properties or operations is the subject which are not described in the Form 10, S-3 Registration Statement and the Prospectus, including ordinary routine litigation incidental to the business, may not reasonably be expected to result in a Company Material Adverse Effect.

(xi) POSSESSION OF LICENSES AND PERMITS. The Company and its subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "COMPANY GOVERNMENTAL LICENSES") issued by the appropriate federal, state, local or

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foreign regulatory agencies or bodies necessary to conduct the business now operated by them; the Company and its subsidiaries are in compliance with the terms and conditions of all such Company Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, result in a Company Material Adverse Effect; all of the Company Governmental Licenses are valid and in full force and effect, except where the invalidity of such Company Governmental Licenses or the failure of such Company Governmental Licenses to be in full force and effect would not result in a Company Material Adverse Effect; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Company Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Company Material Adverse Effect.

(xii) NO FILINGS, REGULATORY APPROVALS ETC. Other than the filing of the applicable financing statements, if any, no filing with, or approval, authorization, consent, license, registration, qualification, order or decree of, any court or governmental authority or agency, domestic or foreign, is necessary or required for the due authorization, execution and delivery by the Company of this Agreement, or the Program Documents or for the performance by the Company of the transactions contemplated in this Agreement, the Program Documents or the Prospectus, except such as have been previously made, obtained or rendered, as applicable.

(xiii) INVESTMENT COMPANY ACT. The Company is not, and upon the sale of the Funding Agreements and Notes as contemplated by the Program and the application of the net proceeds therefrom as described in the Prospectus will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "1940 ACT").

(xiv) ABSENCE OF DEFAULT UNDER EACH FUNDING AGREEMENT. There exists no event or circumstance which does or may (with the passing of time, the giving of notice, the making of any determination, or any combination thereof) be reasonably expected to constitute an event of default under any outstanding Funding Agreement.

(b) ADDITIONAL CERTIFICATIONS. Any certificate signed by any officer of the Company and delivered to one or more Agents or to counsel for the Agents in connection with an offering of Notes by the Trust to one or more Agents as principal or through an Agent as agent shall be deemed a representation and warranty by the Company to such Agent(s) as to the matters covered thereby on the date of such certificate and, unless subsequently amended or supplemented, at each Representation Date subsequent thereto.

## SECTION 2. COVENANTS OF THE COMPANY.

The Company covenants and agrees with each Agent as follows:

(a) NOTICE OF CERTAIN EVENTS. The Company with respect to the S-3 Registration Statement, Prospectus and Form 10 will notify the Agents immediately, and confirm such notice in writing of (i) the effectiveness of any post-effective amendment to the S-3 Registration

Statement or Form 10 or the filing of any amendment or supplement to the Prospectus (other than any amendment or supplement thereto providing solely for the determination of the variable terms of the Notes), (ii) the receipt of any comments from the Commission, (iii) any request by the Commission for any amendment to the S-3 Registration Statement or Form 10 or any amendment or supplement to the Prospectus or for additional information, or (iv) the issuance by the Commission of any stop order suspending the effectiveness of the S-3 Registration Statement or Form 10, or of any order preventing or suspending the use of any preliminary prospectus or Prospectus, or of the initiation of any proceedings for that purpose. With respect to the S-3 Registration Statement, the Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) FILING OR USE OF AMENDMENTS. The Company will give each Agent advance notice of its intention to file or prepare any additional registration statement with respect to the registration of additional Funding Agreements, any amendment to the S-3 Registration Statement (including any filing under Rule 462(b) of the 1933 Act Regulations) or any amendment or supplement to the prospectus included in the S-3 Registration Statement at the time it became effective or to the Prospectus (other than an amendment or supplement thereto providing solely for the determination of the variable terms of the Notes), whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish to such Agents copies of any such document a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file any such document to which an Agent or counsel for the Agents shall object.

(c) DELIVERY OF THE S-3 REGISTRATION STATEMENT. The Company has furnished to the Agents and to counsel for the Agents, without charge, signed and conformed copies of the S-3 Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed and conformed copies of all consents and certificates of experts. The S-3 Registration Statement and each amendment thereto furnished to an Agent will be identical in all material respects to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) DELIVERY OF THE PROSPECTUS. Pursuant to the Distribution Agreement, the Trust will deliver to each Agent, without charge, as many copies of each preliminary prospectus as such Agent may reasonably request; the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act.

(e) DELIVERY OF THE FORM 10. The Company has furnished to the Agents and to counsel for the Agents, without charge, signed and conformed copies of the Form 10 as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed and conformed copies of all consents and certificates of experts. The Form 10 and each amendment thereto furnished to the Agents will be identical in all material respects to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(f) REVISIONS OF PROSPECTUS -- MATERIAL CHANGES. Except as otherwise provided in Section 2(j), if at any time during the term of this Agreement any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Agents or counsel for the Company to amend the S-3 Registration Statement in order that the S-3 Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or to amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time the Prospectus is delivered to a purchaser, or if it shall be necessary, in the opinion of any such counsel, to amend the S-3 Registration Statement or amend or supplement the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, as applicable, the Company shall give immediate notice, confirmed in writing, to the Agents to cease the solicitation of offers for the purchase of Notes in their capacity as agent and to cease sales of any Notes they may then own as principal, and the Company will promptly prepare and file with the Commission, subject to Section 2(b) hereof, such amendment or supplement as may be necessary to correct such statement or omission or to make the S-3 Registration Statement and Prospectus comply with such requirements, and the Company will furnish to the Agents, without charge, such number of copies of

such amendment or supplement as the Agents may reasonably request. In addition, the Company will comply with the 1933 Act, the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations so as to permit the completion of the distribution of each offering of Notes.

(g) PERIODIC FINANCIAL INFORMATION. Except as otherwise provided in Section 2(j), on or prior to the date on which there shall be released to the general public interim financial statement information related to the Company with respect to each of the first three quarters of any fiscal year or preliminary financial statement information with respect to any fiscal year, the Company shall furnish such information to the Agents, confirmed in writing.

(h) AUDITED FINANCIAL INFORMATION. Except as otherwise provided in Section 2(j), on or prior to the date on which there shall be released to the general public financial information included in or derived from the audited consolidated financial statements of the Company for the preceding fiscal year, the Company shall furnish such information to the Agent, confirmed in writing.

(i) REPORTING REQUIREMENTS. The Company during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods prescribed by the 1934 Act and the 1934 Act Regulations.

(j) SUSPENSION OF CERTAIN OBLIGATIONS. The Company shall not be required to comply with the provisions of Sections 2(f), 2(g) or 2(h) during any period from the time (i) the Agents shall have suspended solicitation of offers for the purchase of Notes in their capacity as agents pursuant to a request from the Trust and (ii) no Agent shall then hold any Notes purchased from the Trust as principal, as the case may be, until the time the Trust shall determine that solicitation of offers for the purchase of Notes should be resumed or an Agent shall subsequently purchase Notes from the Trust as principal.

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(k) EARNINGS STATEMENTS. The Company will timely file such reports pursuant to the 1934 Act and the 1934 Act Regulations, as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(l) USE OF PROCEEDS. The Company will use the net proceeds received by it from the issuance and sale of the Funding Agreements in the manner specified in the Prospectus.

(m) AUTHORIZATION TO ACT ON BEHALF OF THE COMPANY. The Company will, from time to time, without request, deliver to the Agents a certificate as to the names and signatures of those persons authorized to act on behalf of the Company in relation to the Program if such information has changed.

(n) RESTRICTIONS ON THE OFFER AND SALE OF FUNDING AGREEMENTS. Unless otherwise agreed, the Company shall not issue or agree to issue, during the period commencing on the date of the agreement of an Agent(s) to purchase Notes as principal or solicit offers for the purchase of Notes as agent and continuing to and including the Settlement Date with respect to such Notes, any Funding Agreement or similar agreement for the purpose of supporting the issuance by a special purpose entity of securities substantially similar to such Notes to the same potential investors (other than any Funding Agreement issued or to be issued to the Trust in connection with the Notes to be offered and/or sold to or through such Agents), in each case without prior notice to the applicable Agent(s). Notwithstanding the foregoing, the Company shall be permitted to issue or agree to issue, during the aforementioned time period, Funding Agreements or similar agreements to Allstate Life Funding, LLC.

### SECTION 3. COVENANTS OF THE AGENTS.

(a) The Agents shall comply with all of their obligations under the Distribution Agreement.

(b) The Agents shall not agree to any amendment or modification of the Distribution Agreement without the prior written consent of the Company.

### SECTION 4. ADDITIONAL COVENANTS OF THE COMPANY.

The Company further covenants and agrees with each Agent as follows:

(a) REAFFIRMATION OF REPRESENTATIONS AND WARRANTIES. Each acceptance by the Trust of an offer for the purchase of Notes (whether to one or more Agents as principal or through one or more Agents as agent), and each delivery of Notes

(whether to one or more Agents as principal or through an Agent as agent) shall be deemed to be an affirmation that the representations and warranties of the Company contained in any certificate theretofore delivered to such Agent pursuant hereto are true and correct at the time of such acceptance or sale, as the case may be, and an undertaking that such representations and warranties will be true and correct at the time of delivery to such Agent(s) or to the purchaser or its agent, as the case may be, of the Notes relating to such acceptance or sale, as the case may be, as though made at and as of each such time (it being understood that such representations and warranties shall relate to the S-3 Registration Statement and Prospectus as amended and supplemented to each such time).

(b) SUBSEQUENT DELIVERY OF CERTIFICATES. Each time that (i) the S-3 Registration Statement or Prospectus shall be amended or supplemented (other than by (A) an amendment or

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supplement providing solely for the determination of the variable terms of the Notes and (B) an amendment deemed to have occurred as a result of a periodic filing by the Company or the Trust under the 1934 Act or the 1934 Act Regulations, except any quarterly report of the Company or Trust on Form 10-Q or any annual report of the Company or the Trust on Form 10-K (any such report, an "SEC PERIODIC REPORT"), (ii) (if required in connection with the purchase of Notes from the Trust by one or more Agents as principal) the Trust sells Notes to one or more Agents as principal or (iii) the Trust sells Notes in a form not previously certified to the Agents by the Trust, the Company shall furnish or cause to be furnished to the Agents, forthwith a certificate dated the date of filing with the Commission or the date of effectiveness of such amendment or supplement, as applicable, or the date of such sale, as the case may be, in form satisfactory to the Agents to the effect that the statements contained in the certificate referred to in Section 5(d) of the Distribution Agreement which were last furnished to the Agents are true and correct at the time of the filing or effectiveness of such amendment or supplement, as applicable, or the time of such sale, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the S-3 Registration Statement and the Prospectus as amended and supplemented to such time) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in Section 5(d) of the Distribution Agreement, modified as necessary to relate to the S-3 Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate (it being understood that, in the case of clause (ii) above, any such certificate shall also include a certification that there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise since the date of the agreement by such Agent to purchase Notes from the Trust as principal); PROVIDED, HOWEVER, that any delivery of certificates as required by this Section 4(b) due to the filing of an SEC Periodic Report shall only be required to be delivered prior to the pricing date for the series of Notes issued immediately after such SEC Periodic Report.

#### SECTION 5. INDEMNIFICATION.

(a) INDEMNIFICATION OF THE AGENT. The Company agrees to indemnify and hold harmless each Agent and each person, if any, who controls such Agent within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of an untrue statement or alleged untrue statement of a material fact contained in the S-1 Registration Statement (or any amendment thereto) or S-3 Registration Statement (or any amendment thereto) or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of an untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or

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threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, provided that (subject to Section 5(d) hereof) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by such Agent), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under subparagraph (i) or (ii) above;

PROVIDED, HOWEVER, that this indemnity does not apply to any loss, liability, claim, damage or expense to the extent arising out of (i) an untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Agents concerning the Agents expressly for use in the S-1 Registration Statement (or any amendment thereto) or S-3 Registration Statement (or any amendment thereto) or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), (ii) any use of the Prospectus by the Agents to sell Notes or solicit offers for the purchase of Notes (x) after such time as the Company shall have provided written notice pursuant to Section 2(f) hereunder or the Trust shall have provided written notice pursuant to Section 4(g) under the Distribution Agreement to the Agents to cease the sale of Notes and solicitation of offers for the purchase of Notes and (y) before such time as the Trust and the Company shall have furnished the Agents with copies of such amendment or supplement to the Prospectus pursuant to Section 2(f) hereunder or Section 4(g) of the Distribution Agreement or (iii) a claim for indemnity made under the Distribution Agreement, only to the extent such claim has previously been satisfied by the Company pursuant to the terms of the Distribution Agreement.

(b) INDEMNIFICATION OF THE COMPANY. Each Agent agrees, severally but not jointly, to indemnify and hold harmless the Company, its directors, officers and trustees (if applicable) who signed the S-3 Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 5(a) hereof, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the S-1 Registration Statement (or any amendment thereto) or the S-3 Registration Statement (or any amendment thereto) or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Agent concerning such Agent expressly for use in the S-1 Registration Statement (or any amendment thereto) or the S-3 Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) ACTIONS AGAINST PARTIES; NOTIFICATION. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the

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extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 5(a) hereof or Section 8(a) of the Distribution Agreement, counsel to the indemnified parties shall be selected by the applicable Agent(s) and, in the case of parties indemnified pursuant to Section 5(b) hereof or Section 8(b) of the Distribution Agreement, counsel to the indemnified shall be selected by the Company and the Trust. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties (collectively with any other indemnifying parties in connection with the Distribution Agreement), whether such indemnity is claimed hereunder or under the Distribution Agreement, be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

No indemnifying party under this Agreement or the Distribution Agreement, shall, without the prior written consent of the indemnified parties under this Agreement and the Distribution Agreement, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or

proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 5 or Section 6 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) SETTLEMENT WITHOUT CONSENT IF FAILURE TO REIMBURSE. If at any time an indemnified party shall have requested in writing an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 5(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

#### SECTION 6. CONTRIBUTION.

If the indemnification provided for in Section 5 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on one hand, and the applicable Agent(s), on the other hand, from the offering of the Notes that were the subject of the claim for indemnification or (ii) if the

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allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on one hand, and the applicable Agent(s), on the other hand, in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company, on the one hand, and the applicable Agent(s), on the other hand, in connection with the offering of the Notes that were the subject of the claim for indemnification shall be deemed to be in the same respective proportions as the total net proceeds from the offering of such Notes (before deducting expenses) received by the Company and the total discount or commission received by the applicable Agent(s), as the case may be, bears to the aggregate initial offering price of such Notes.

The relative fault of the Company, on one hand, and the applicable Agent(s), on the other hand, shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, on one hand, or by the applicable Agent(s), on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The parties agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation (even if the Agents were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 6. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 6 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any applicable untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 6, (i) no Agent shall be required to contribute any amount in excess of the amount by which the total discount or commission received by such Agent in connection with the offering of the Notes that were the subject of the claim for indemnification exceeds the amount of any damages which such Agent has otherwise been required to pay by reason of any applicable untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent

misrepresentation. In addition, in connection with an offering of Notes purchased from the Trust by two or more Agents as principal, the respective obligations of such Agents to contribute pursuant to this Section 6 are several, and not joint, in proportion to the aggregate principal amount of Notes that each such Agent has agreed to purchase from the Trust.

For purposes of this Section 6, each person, if any, who controls an Agent within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Agent, and each director, officer and trustee (if applicable) of the Company, and each person, if any, who controls the Company within the meaning of Section 15

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of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

#### SECTION 7. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY.

All representations, warranties and agreements contained in this Agreement, in certificates submitted pursuant hereto shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Agents or any controlling person of the Agents, or by or on behalf of the Company, and shall survive each delivery of and payment for the Notes.

#### SECTION 8. TERMINATION.

(a) TERMINATION OF THIS AGREEMENT. This Agreement shall terminate as follows:

(i) With respect to all Agents, automatically and simultaneously with the termination of the Distribution Agreement with respect to all Agent(s) (such termination shall be effective immediately);

(ii) With respect to all Agents, at any time at the option of the Company, if the Distribution Agreement is amended or supplemented without the Company's prior written consent (such termination shall be effective immediately upon exercise of such option);

(iii) With respect to the applicable Agent(s), at any time at the option of the Company, if any use of the Prospectus by the applicable Agent(s) to sell Notes or solicit offers for the purchase of Notes occurs (x) after such time as the Company shall have provided written notice pursuant to Section 2(f) hereunder or the Trust shall have provided written notice pursuant to Section 4(g) of the Distribution Agreement to the applicable Agent(s) to cease the sale of Notes and solicitation of offers for the purchase of Notes and (y) before such time as the Company shall have furnished the applicable Agent(s) with copies of such amendment or supplement to the Prospectus pursuant to Section 2(f) hereunder or Section 4(g) of the Distribution Agreement (such termination shall be effective immediately upon exercise of such option); or

(iv) With respect to the applicable Agent(s), at any time at the option of the Company, if the applicable Agent(s) is added or deleted as a party to this Agreement without the prior written consent of the Company (such termination shall be effective immediately upon exercise of such option).

(b) GENERAL. In the event of any such termination, neither party will have any liability to the other party hereto, except that (i) the applicable Agent(s) shall be entitled to any commissions earned in accordance with the Distribution Agreement, (ii) if at the time of termination (a) any applicable Agent shall own any Notes purchased by it from the Trust as principal or (b) an offer to purchase any of the Notes has been accepted by the Trust but the time of delivery to the purchaser or his agent of such Notes relating thereto has not occurred, the covenants set forth in Sections 2 and 4 hereof shall remain in effect until such Notes are so resold or delivered, as the case may be, and (iii) the covenant set forth in Section 2(k) hereof, the

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indemnity and contribution agreements set forth in Sections 5 and 6 hereof, and the provisions of Sections 7, 10 and 11 hereof shall remain in effect.

#### SECTION 9. NOTICES.

Unless otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, either delivered by hand, by mail or by telex, telecopier or telegram, and any such notice shall be effective when

received at the address specified below.

If to the Company:

Allstate Life Insurance Company  
3100 Sanders Road, Suite M3A  
Northbrook, Illinois 60062  
Attention: Assistant Vice President, Institutional Markets  
Telecopy No.: (847) 402-5000

If to the Agents:

To each Agent at the address specified in SCHEDULE 1 to the  
Distribution Agreement.

or at such other address as such party may designate from time to time by notice  
duly given in accordance with the terms of this Section 9.

#### SECTION 10. PARTIES.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, officers and directors referred to in Sections 5 and 6 hereof and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors, and said controlling persons, officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Notes shall be deemed to be a successor by reason merely of such purchase.

#### SECTION 11. GOVERNING LAW; FORUM.

THIS AGREEMENT AND ALL THE RIGHTS AND OBLIGATIONS OF THE PARTIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. ANY SUIT, ACTION OR PROCEEDING BROUGHT BY THE COMPANY AGAINST ANY AGENT IN CONNECTION WITH OR ARISING UNDER THIS

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AGREEMENT SHALL BE BROUGHT SOLELY IN THE STATE OR FEDERAL COURT OF APPROPRIATE JURISDICTION LOCATED IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK.

#### SECTION 12. EFFECT OF HEADINGS.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

#### SECTION 13. Counterparts.

This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts hereof shall constitute a single instrument.

#### SECTION 14. AMENDMENTS.

This Agreement may be amended or supplemented if, but only if, such amendment or supplement is in writing and is signed by the Company and the Agents. In accordance with the Distribution Agreement, the Trust may from time to time nominate any institution as a new Agent under the Distribution Agreement either in respect of the Program generally or in relation to a particular series or tranche of Notes only, and upon such nomination, if not already executed, such Agent(s) will execute a counterpart of this Agreement.

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If the foregoing is in accordance with the Agents' understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this Agreement, along with all counterparts, will become a binding agreement by and between the Agents and the Trust in accordance with its terms.

Very truly yours,



By: -----

Name:

Title:

CONFIRMED AND ACCEPTED,  
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED

By: -----

Authorized Signatory

[OTHER AGENTS]

CERTIFICATE OF TRUST OF  
ALLSTATE LIFE GLOBAL FUNDING

THIS Certificate of Trust of ALLSTATE LIFE GLOBAL FUNDING (the "Trust"), dated as of June 24, 2002, is being duly executed and filed by the undersigned Delaware Trustee to form a business trust under the Delaware Business Trust Act (12 Del. Code, Section 3801 ET SEQ.) (the "Act").

1. Name. The name of the business trust formed hereby is ALLSTATE LIFE GLOBAL FUNDING.

1. Delaware Trustee. The name and business address of the trustee of the Trust with its principal place of business in the State of Delaware is Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware, 19890-0001, Attention: Corporate Trust Administration.

2. Series Trust. Pursuant to Sections 3804 and 3806(b)(2) of the Act, the Trust shall be a series Trust and shall issue series of beneficial interests having separate rights, powers and duties with respect to property or obligations of the Trust (each a "Series"). Pursuant to Section 3804(a) of the Act, there shall be a limitation of liabilities of each Series such that (a) the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular Series shall be enforceable against the assets of such Series only, and not against the assets of the Trust generally or the assets of any other Series thereof and (b) unless otherwise provided in the governing instrument of the Trust, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Trust generally or any other Series thereof shall be enforceable against the assets of such Series.

3. Effective Time. This Certificate of Trust will be effective upon its filing with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned, being the Delaware Trustee of the Trust as of the date of filing of this Certificate of Trust, has executed this Certificate of Trust as of the date first above written in accordance with Section 3811(a) of the Act.

Wilmington Trust Company,  
not in its individual capacity but solely as  
trustee

By: /s/ James P. Lawler  
-----  
Name: James P. Lawler  
Title: Vice President

TRUST AGREEMENT OF  
ALLSTATE LIFE GLOBAL FUNDING

This TRUST AGREEMENT of ALLSTATE LIFE GLOBAL FUNDING (the "Trust"), dated as of June 24, 2002, (this "Trust Agreement"), is between AMACAR Pacific Corp. (the "Trust Beneficial Owner") and Wilmington Trust Company, a Delaware banking corporation (the "Delaware Trustee"). The Trust Beneficial Owner and the Delaware Trustee hereby agree as follows:

1. The Trust created hereby shall be known as "Allstate Life Global Funding," in which name the Delaware Trustee and the Administrator (as defined below), to the extent provided herein, may conduct the business of the Trust, make and execute contracts, and sue and be sued on behalf of the Trust. The Trust is a series trust pursuant to Sections 3804 and 3806(b)(2) of the Delaware Business Trust Act, 12 DEL. C. Section 3801, ET SEQ. (the "Business Trust Act"), and each series of the Trust shall be a separate series of the Trust within the meaning of Section 3806(b)(2) of the Business Trust Act. As such, separate and distinct records shall be maintained for each series of the Trust and the assets of the Trust associated with each series of the Trust shall be held and accounted for separately from the other assets of the Trust. The debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to each series of the Trust shall be enforceable against the assets of such series of the Trust incurring such debts, liabilities, obligations or expenses, and not against the assets of the Trust generally or the assets of any other series of the Trust, and, unless otherwise provided in this Trust Agreement, none of the debts, liabilities, obligations, and expenses incurred, contract for or otherwise existing with respect to the Trust generally or any other series thereof shall be enforceable against the assets of such series.

2. The Trust Beneficial Owner hereby assigns, transfers, conveys and sets over to the Delaware Trustee the sum of \$1,000. The Delaware Trustee hereby acknowledges receipt of such amount in trust from the Trust Beneficial Owner, which amount shall constitute the initial trust estate. The Delaware Trustee hereby declares that the Delaware Trustee will hold the trust estate in trust for the Trust Beneficial Owner. It is the intention of the parties hereto that the Trust created hereby constitute a business trust under the Business Trust Act, and that this document constitutes the governing instrument of the Trust. The Delaware Trustee hereby is authorized and directed to execute and file a certificate of trust substantially in the form of Exhibit A with the Secretary of State of the State of Delaware in accordance with the provisions of the Business Trust Act.

3. The Trust Beneficial Owner and the Delaware Trustee will enter into an Amended and Restated Trust Agreement, satisfactory to each such party, to provide for the contemplated operation of the Trust created hereby and the issuance of the notes referred to therein. The Delaware Trustee is authorized to execute on behalf of the Trust a support and expense agreement, an administrative services agreement or similar agreements. Other than as set forth in this Section 3, prior to the execution and delivery of such Amended and Restated Trust Agreement, the Delaware Trustee shall not have any duty or obligation hereunder or with respect of the trust estate, except (i) as otherwise

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required by applicable law or as may be necessary to obtain prior to such execution and delivery any licenses, consents or approvals required by applicable law or otherwise or (ii) as directed in writing by the Trust Beneficial Owner. Other than as set forth in any administrative services agreement, prior to the execution and delivery of such Amended and Restated Trust Agreement, the Administrator shall not have any duty or obligation hereunder or with respect of the trust estate, except (i) as otherwise required by applicable law or as may be necessary to obtain prior to such execution and delivery any licenses, consents or approvals required by applicable law or otherwise or (ii) as directed in writing by the Trust Beneficial Owner.

4. The purposes of the Trust are:

(a) to hold the deposit of the Trust Beneficial Owner for the benefit of the Trust Beneficial Owner;

(b) to issue, from time to time, notes to investors, the proceeds of which are to be used to purchase funding agreements from Allstate Life Insurance Company, an Illinois stock insurance company ("Allstate Life");

(c) to register notes of the Trust under the Securities Act of 1933, as amended (the "1933 Act"), and under the state securities or blue sky laws, and to qualify a related indenture as a trust indenture under the Trust Indenture Act of 1939, as amended;

(d) to enter into a support and expenses agreement with Allstate Life and an administrative services agreement;

(e) to assign its rights, title and interest in collateral for any series of notes (which may include multiple tranches) of the Trust for the benefit of the holders of the tranches of notes;

(f) to pay the organizational, start-up, transactional and ongoing expenses of the Trust;

(g) to make, or cause to be made, all payments due on the notes of the Trust including interest, principal and premium (if applicable), and additional amounts if applicable;

(h) to enter into and perform its obligations under this Trust Agreement, and any other document or instruments to which the Trust is or may become a party in connection with the issuance of each series of the notes or the creation of each series of the Trust and the management and administration of the Trust; and

(i) to engage in those activities, including entering into agreements, that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith.

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5. In connection with the execution by the Trust of an administrative services agreement, AMACAR Pacific Corp. shall serve as administrator (the "Administrator") and the Administrator is hereby appointed as agent of the Trust.

6. Except as otherwise expressly required in Sections 1 and 3 of this Trust Agreement, the Delaware Trustee shall not have any duty or liability with respect to the administration of the Trust, the investment of the Trust's property or the payment of dividends or other distributions of income or principal to the Trust's beneficiaries, and no implied obligations shall be inferred from this Trust Agreement on the part of the Delaware Trustee. The Delaware Trustee shall not be liable for the acts or omissions of the Administrator or any other person who acts on behalf of the Trust nor shall the Delaware Trustee be liable for any act or omission by it in good faith. Except as otherwise expressly required in Sections 1 and 3 of this Trust Agreement or in any administrative services agreement, the Administrator shall not have any duty or liability with respect to the administration of the Trust, the investment of the Trust's property or the payment of dividends or other distributions of income or principal to the Trust's beneficiaries, and no implied obligations shall be inferred from this Trust Agreement on the part of the Administrator.

7. The Delaware Trustee accepts the trusts hereby created and agrees to perform its duties hereunder with respect to the same but only upon the terms of this Trust Agreement. The Delaware Trustee shall not be personally liable under any circumstances, except for its own willful misconduct or gross negligence. In particular, but not by way of limitation:

(i) The Delaware Trustee shall not be personally liable for any error of judgment made in good faith by an officer or employee;

(ii) Under no circumstance shall the Delaware Trustee be personally liable for any representation, warranty, covenant or indebtedness of the Trust;

(iii) The Delaware Trustee shall not be personally responsible for or in respect of the genuineness, form or value of the Trust property, the validity or sufficiency of this Trust Agreement or for the due execution hereof;

(iv) In accepting and performing the trusts hereby created, the Delaware Trustee acts solely as trustee hereunder and not in its individual capacity, and all persons having any claim against the Trustee by reason of the transactions contemplated by this Trust Agreement shall look only to the Trust's property for payment or satisfaction thereof.

8. This Trust Agreement may be executed in one or more counterparts.

9. The number of trustees of the Trust initially shall be one and thereafter the number of trustees of the Trust shall be such number as shall be fixed from time to time by a written instrument signed by the Trust Beneficial

Owner which may increase or decrease the number of trustees of the Trust; provided, however, that to the extent

required by the Business Trust Act, one trustee of the Trust shall either be a natural person who is a resident of the State of Delaware or, if not a natural person, an entity that has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable Delaware law. Subject to the foregoing, the Trust Beneficial Owner is entitled to appoint or remove without cause any trustee of the Trust at any time. Any trustee of the Trust may resign upon thirty (30) days' prior notice to the Trust Beneficial Owner, provided, however, such notice shall not be required if it is waived by the Trust Beneficial Owner.

10. The Delaware Trustee, in its capacity as trustee of the Trust, shall be a trustee of the Trust for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Business Trust Act.

11. The Trust shall (i) reimburse the Delaware Trustee for all reasonable expenses (including reasonable fees and expenses of counsel and other experts), and (ii) indemnify, defend and hold harmless the Delaware Trustee and any of its officers, directors, employees and agents (the "Indemnified Persons") from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel), taxes and penalties of any kind and nature whatsoever (collectively, "Expenses"), to the extent that such Expenses arise out of or are imposed upon or asserted at any time against such Indemnified Persons with respect to the performance of this Trust Agreement, the creation, operation or termination of the Trust or the transactions contemplated hereby; provided, however, that the Trust shall not be required to indemnify any Indemnified Person for any Expenses which are a result of the willful misconduct, bad faith or gross negligence of such Indemnified Person.

12. The Trust may be dissolved and terminated before the issuance of the notes of the Trust at the election of the Trust Beneficial Owner.

13. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (without regard to conflict of laws principles).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS THEREOF, the parties hereto have caused this Trust Agreement to be duly executed as of the day and year first above written.

AMACAR Pacific Corp., as Trust Beneficial Owner

By: /s/ Douglas K. Johnson  
-----  
Name: Douglas K. Johnson  
Title: President

Wilmington Trust Company

By: /s/ Anita E. Dallago  
-----  
Name: Anita E. Dallago  
Title: Senior Financial Services Officer

EXHIBIT A

CERTIFICATE OF TRUST OF ALLSTATE LIFE GLOBAL FUNDING

THIS Certificate of Trust of ALLSTATE LIFE GLOBAL FUNDING (the "Trust"), dated as of June 24, 2002, is being duly executed and filed by the undersigned Delaware Trustee to form a business trust under the Delaware Business Trust Act (12 Del. Code, Section 3801 ET SEQ.) (the "Act").

1. Name. The name of the business trust formed hereby is ALLSTATE LIFE GLOBAL FUNDING.

2. Delaware Trustee. The name and business address of the trustee of the Trust with its principal place of business in the State of Delaware is Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware, 19890-0001, Attention: Corporate Trust Administration.

3. Series Trust. Pursuant to Sections 3804 and 3806(b)(2) of the Act, the Trust shall be a series Trust and shall issue series of beneficial interests having separate rights, powers and duties with respect to property or obligations of the Trust (each a "Series"). Pursuant to Section 3804(a) of the Act, there shall be a limitation of liabilities of each Series such that (a) the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular Series shall be enforceable against the assets of such Series only, and not against the assets of the Trust generally or the assets of any other Series thereof and (b) unless otherwise provided in the governing instrument of the Trust, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Trust generally or any other Series thereof shall be enforceable against the assets of such Series.

4. Effective Time. This Certificate of Trust will be effective upon its filing with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned, being the Delaware Trustee of the Trust as of the date of filing of this Certificate of Trust, has executed this Certificate of Trust as of the date first above written in accordance with Section 3811(a) of the Act.

Wilmington Trust Company,  
not in its individual capacity but solely as  
trustee

By:

-----

Name:

Title:

=====

AMENDED AND RESTATED  
TRUST AGREEMENT

OF

ALLSTATE LIFE GLOBAL FUNDING

DATED AS OF -, 2002

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THIS AMENDED AND RESTATED TRUST AGREEMENT (this "TRUST AGREEMENT") dated and effective as of November -, 2002, is entered into between the undersigned Delaware Trustee (as defined below) and the Trust Beneficial Owner (as defined below):

WHEREAS, the Delaware Trustee and the Trust Beneficial Owner have established a statutory trust pursuant to the Delaware Statutory Trust Act (as defined below) for the purposes of, among other things, (i) issuing Notes (as defined below) to investors, the proceeds of which are to be used to purchase Funding Agreements (as defined below) from Allstate Life (as defined below), (ii) entering into the Support and Expenses Agreement (as defined below) with Allstate Life, (iii) holding the Deposit (as defined below) for the benefit of the Trust Beneficial Owner and (iv) engaging in activities incidental thereto.

WHEREAS, the Delaware Trustee and the Trust Beneficial Owner have entered into that certain Trust Agreement, dated as of June 24, 2002 (the "BASE TRUST AGREEMENT"), and the parties hereto desire to amend and restate the Base Trust Agreement in its entirety.

NOW, THEREFORE, in consideration of the premises and the covenants set forth in this Trust Agreement, the parties agree as follows:

ARTICLE 1  
DEFINITIONS

SECTION 1.1. DEFINITIONS. The following terms, as used herein, have the following definitions:



"ADDITIONAL AMOUNTS" shall have the meaning ascribed in the Indenture.

"ADMINISTRATIVE AGREEMENT" means that certain amended and restated administrative services agreement dated as of - by and between the Trust and the Administrator, as the same may be amended from time to time.

"ADMINISTRATOR" means AMACAR Pacific Corp., a Delaware corporation in its capacity as the sole administrator of the Trust and each Series of the Trust pursuant to the Administrative Agreement, and its permitted successors and assigns.

"AFFILIATE" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person and, in the case of an individual, any spouse or other member of that individual's immediate family. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by", and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

"AGENTS" has the meaning specified in the relevant Distribution Agreement.

"ALLSTATE LIFE" means Allstate Life Insurance Company, an Illinois stock life insurance company, and its successors.

"ASSIGNED DOCUMENTS" means, with respect to any Tranche of Notes, the Funding Agreement and the Support and Expenses Agreement relating to such Tranche of Notes and those agreements, instruments or other documents (if any) relating to such Tranche of Notes.

"BENEFICIAL OWNER" means any Person in whose name Notes are credited to a securities account maintained in the name of such Person on the books and records of a Clearing Corporation or other Securities Intermediary.

"CERTIFICATE OF TRUST" means the certificate of trust of the Trust filed with the Office of the Secretary of State of the State of Delaware, effective June 24, 2002.

"CODE" means the United States Internal Revenue Code of 1986, as amended, including any successor statutes and any applicable rules, regulations, notices or orders promulgated thereunder.

"COLLATERAL" means, with respect to any Series of Notes, (i) each Funding Agreement from time to time issued by the Funding Agreement Provider and securing such Series of Notes, whether owned at the time of issuance of such Series of Notes or thereafter acquired by the Issuer, including all benefits, rights, privileges and options thereunder, (ii) any other collateral specified in the applicable Pricing Supplement, (iii) all Proceeds in respect of each such Funding Agreement, and (iv) all books and records (including without limitation, computer programs, printouts and other computer materials and files) of the Issuer pertaining to the foregoing, as described in each Note Certificate or Supplemental Indenture with respect to such Series of Notes.

"COMMISSION" has the meaning specified in Section 2.7(a)(v).

"CONTINGENT OBLIGATION" means, with respect to any Person, without duplication, any direct or indirect liability, contingent or otherwise, of that Person (i) with respect to any Indebtedness, lease, dividend, letter of credit or other obligation of another if the primary purpose or intent thereof by the Person incurring the Contingent Obligation is to provide assurance to the obligee of such obligation of another that such obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected (in whole or in part) against loss in respect thereof, (ii) under any letter of credit issued for the account of or for which that Person is otherwise liable for reimbursement thereof, (iii) under agreements providing for the hedging or limitation of interest rate or currency risk, (iv) under any performance bond or other surety arrangement, (v) under any direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such

in this Trust Agreement or any Program Documents entered into in connection with the Program and/or the issuance of any Tranche of Notes shall not be considered to be Contingent Obligations.

"CORPORATE TRUST OFFICE" means the principal corporate trust office of the Delaware Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of original execution of this Trust Agreement is located at Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890.

"DELAWARE STATUTORY TRUST ACT" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. Section 3801, et seq., as the same may be amended from time to time.

"DELAWARE TRUSTEE" means Wilmington Trust Company, not in its individual capacity but solely in its capacity as trustee, and its successors.

"DEPOSIT" means an amount equal to \$1,000 sold, assigned, transferred, conveyed and set over to the Trust by the Trust Beneficial Owner pursuant to the terms hereof.

"DEPOSIT CERTIFICATE" means a certificate in, or substantially in, the form attached hereto as Exhibit A evidencing the beneficial ownership interest in the Deposit and the other assets of the Trust not otherwise allocated to a Series of the Trust, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"DISTRIBUTION AGREEMENT" means one or more distribution agreements by and among the Trust and the Agents, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"EXPENSES" has the meaning ascribed in Section 7.2 of this Trust Agreement.

"FUNDING AGREEMENT" means each funding agreement between the Funding Agreement Provider and Issuer issued from time to time by the Funding Agreement Provider up to the principal amount or amounts as may from time to time be authorized by the Funding Agreement Provider and subsequently assigned by the Issuer to the Indenture Trustee in accordance with the Indenture, as any of the same shall be amended from time to time.

"HOLDER" means, with respect to any Note, (i) any Person who has possession of the Note Certificate representing such Note if (A) such Note Certificate is indorsed to such Person or in blank by an effective endorsement or (B) such Note is registered in the name of such Person in the applicable Note Register or (ii) if there is no

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such Person, any Person in whose name such Note is registered in the applicable Note Register.

"INDEBTEDNESS" means, as applied to any Person, (i) all indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable, contingently or otherwise, or in respect of which such Person otherwise assures a creditor against loss, (ii) that portion of obligations with respect to capital leases which is properly classified as a liability on a balance sheet in conformity with generally accepted accounting principles, consistently applied, (iii) obligations evidenced by bonds, notes, debentures or similar instruments of such Person, and instruments payable by such Person and drafts accepted by such Person representing extensions of credit whether or not representing obligations for borrowed money, (iv) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder and (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person.

"INDEMNIFIED PARTIES" has the meaning ascribed in Section 7.2 of this Trust Agreement.

"INDENTURE" means the indenture dated as of - by and between the Trust and Bank One National Association in its capacity as Indenture Trustee and Paying Agent as the same may be amended, modified, restated, supplemented and/or replaced from time to time by one or more indentures supplemental thereto entered into pursuant to the applicable provisions thereof and, with respect to any Note, by the terms and provisions of such Note.

"INDENTURE TRUSTEE" means Bank One National Association, until a successor Indenture Trustee shall have become such with respect to one or more

Series of Notes pursuant to the applicable provisions of the Indenture, and thereafter "Indenture Trustee" shall mean each Person who is then an Indenture Trustee thereunder; PROVIDED, HOWEVER, that if at any time there is more than one such Person, "Indenture Trustee" shall mean each such Person and as used with respect to the Notes of any Series shall mean the Indenture Trustee with respect to the Notes of such Series.

"INVESTMENT COMPANY ACT" means the Investment Company Act of 1940, as amended.

"LICENSE AGREEMENT" means that certain License Agreement to be entered into by and between Allstate Insurance Company and the Trust,

"LIEN" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease

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having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC or comparable law of any jurisdiction).

"MOODY'S" means Moody's Investors Service, Inc., and its successors.

"NOTE" has the meaning stated in the first recital of the Indenture each in an authorized denomination and represented individually or collectively by a Note Certificate authenticated and delivered under the Indenture.

"OPINION OF COUNSEL" means a written opinion of legal counsel who may, except as otherwise expressly provided in this Trust Agreement, be counsel for the Trust, and who shall be reasonably satisfactory to each addressee of the relevant opinion.

"PAYING AGENT" means the Indenture Trustee and any substitute or additional paying agent appointed in accordance with the Indenture, and its permitted successors and assigns.

"PERMITTED EXPENSES" means any expenses the Trust has agreed to pay pursuant to one or more of the Program Documents.

"PERSON" means any natural person, corporation, limited partnership, general partnership, joint stock company, limited liability company, joint venture, association, company, trust (including any beneficiary thereof), bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and governments and agencies and political subdivisions thereof.

"PRICING SUPPLEMENT" means, with respect to any Tranche of Notes, the pricing supplement prepared by, or on behalf of, the Trustee in connection with such Tranche of Notes and executed by the Trustee, with such modifications as the Trustee may deem necessary, and as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"PROGRAM" means the program established by the Issuer for the continuous issuance of Notes pursuant to the Indenture.

"PROGRAM DOCUMENTS" means the Notes, the Indenture, any Pricing Supplement, any Relevant Agreement, the Administrative Agreement, any Distribution Agreement, the Series Trust Supplements, the Support and Expenses Agreement, the License Agreement, the Funding Agreements, the SEC Documents, the documents relating to the assignment of the Funding Agreements to the Trust and any other agreement or document to which the Trust is a party or signatory.

"RATING AGENCY" means any of Standard and Poor's, Moody's or any other "nationally recognized statistical rating organization" (as such term is defined in Rule 436(g)(2) of the Securities Act).

"RELEVANT AGENTS" means, with respect to a Relevant Agreement which is made between the Trust and more than one Agent, the Person specified as such or as the

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lead manager in the Pricing Supplement and/or in such Relevant Agreement; and, with respect to a Relevant Agreement which is made between the Trust and a single Agent, the Relevant Agent will be such Agent.

"RELEVANT AGREEMENT" means any agreement entered into from time to time between the Trust and one or more Agents relating to the sale of Notes.

"RESPONSIBLE OFFICER" when used with respect to any Person means the chairman of the board of directors or any vice chairman of the board of directors or the president or any vice president (whether or not designated by a number or numbers or a word or words added before or after the title "vice president") of such Person. With respect to the Delaware Trustee or Issuer, Responsible Officer means any Responsible Officer (as defined in the preceding sentence) plus any assistant secretary and any officer of the Delaware Trustee and with respect to the Issuer, or of the Administrator, and with respect to the Trustee, Responsible Officer means any Responsible Officer (as defined in the first sentence of this definition) plus the chairman of the trust committee, the chairman of the executive committee, any vice chairman of the executive committee, the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other authorized officer of the Trustee customarily performing functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"SEC DOCUMENTS" means (i) any registration statement, including any preliminary prospectus or prospectus supplement thereto and the exhibits included therein, any per-effective or post-effective amendments thereto and any registration statements filed thereafter under the Securities Act relating to the registration under the Securities Act of any Series of Notes and certain other securities and (ii) any other documents, filings or forms required to be filed by the Trust or any Series of the Trust under the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or any securities laws, rules or regulations of any state or any rules or regulations of any national securities exchange or market quotation dealer system or the National Association of Securities Dealers.

"SECURITIES ACT" means the United States Securities Act of 1933, as amended, and the rules and regulations thereunder.

"SERIES" or "SERIES OF NOTES" means a series of Notes comprised of one or more Tranches, the terms of which Tranche or Tranches of Notes are identical except that the issue date, the issue price and the amount of the first payment of interest may be different in respect of different Tranches and a Series may comprise Notes in more than one denomination.

"SERIES BENEFICIAL OWNER" means The American National Red Cross as the sole "beneficial owner" of each Series of the Trust (as defined and used in Sections 3801(b) and 3806(b)(2) of the Delaware Statutory Trust Act).

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"SERIES OF THE TRUST" means a series of the Trust created pursuant to Sections 3804 and 3806(b)(2) of the Delaware Statutory Trust Act; as such, separate and distinct records shall be maintained and the assets of the Trust associated with each Series of the Trust shall be held and accounted for separately from the other assets of the Trust or any other Series of the Trust; the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to each Series of the Trust shall be enforceable against the assets of such Series of the Trust only, and not against the assets of the Trust generally or the assets of any other Series of the Trust. There will be a separate Series of the Trust created pursuant to each Series Trust Supplement and corresponding to each Series of Notes issued pursuant to the Indenture.

"SERIES TRUST SUPPLEMENT" means, with respect to each Series of the Trust, the related series trust supplement to this Trust Agreement in, or substantially in, the form attached hereto as Exhibit B, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"STANDARD AND POOR'S" means Standard & Poor's, a division of The McGraw-Hill Companies, and its successors.

"SUPPORT AND EXPENSES AGREEMENT" means that certain support and expenses agreement, dated as of June 27, 2002, by and between the Funding Agreement Provider and the Issuer, as the same may be amended from time to time.

"TRANCHE" or "TRANCHE OF NOTES" means Notes which are issued on the same issue date, the terms of which are identical in all respects (except that a Tranche may comprise Notes in more than one denomination).

"TRUST" means Allstate Life Global Funding, a Delaware statutory trust, and its successors and assigns.

"TRUST AGREEMENT" means this governing instrument as originally executed and delivered, as this instrument may be amended, modified, restated, supplemented (including by Series Trust Supplements) and/or replaced from time to time.

"TRUST BENEFICIAL OWNER" means, in its capacity as a beneficial owner of the Trust, AMACAR Pacific Corp. and its successors.

SECTION 1.2. OTHER DEFINITIONAL PROVISIONS. For all purposes of this Trust Agreement except as otherwise expressly provided or unless the context otherwise requires:

All capitalized terms used herein and not otherwise defined will have the meanings set forth in the Indenture;

- (a) the terms defined in this Article 1 shall have the meanings ascribed to them in this Article 1 and shall include the plural as well as the singular; PROVIDED, THAT, all capitalized terms used herein and not

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otherwise defined herein will have the meanings set forth in the Indenture;

- (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted at the date of such computation in the United States;
- (c) the words "include", "includes" and "including" shall be construed to be followed by the words "without limitation";
- (d) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting this Trust Agreement or the intent of the parties hereto;
- (e) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section, Exhibit or other subdivision; and
- (f) references herein to Articles, Sections and Exhibits shall, unless otherwise specified, refer respectively to Articles and Sections hereof and Exhibits hereto.

## ARTICLE 2 ORGANIZATION OF THE TRUST

SECTION 2.1. NAME AMENDMENT AND RESTATEMENT OF TRUST AGREEMENT. The Trust created under the Base Trust Agreement is known as "Allstate Life Global Funding." The Trust's activities may be conducted under the name of the Trust by the Delaware Trustee or by the Administrator on its behalf. This Trust Agreement amends and restates the Base Trust Agreement in its entirety.

SECTION 2.2. ISSUANCE OF NOTES. The Trust is authorized to issue Notes in series. Upon request of the Trust Beneficial Owner, the Delaware Trustee may at any time and from time to time enter into a Series Trust Supplement with the Trust Beneficial Owner and respective Series Beneficial Owner for the purpose of authorizing the issuance of one or more Series of Notes. Each Series of the Trust will be created pursuant to a separate Series Trust Supplement and shall constitute a separate Series of the Trust. Each Series of Notes will be made up of separate Tranches of Notes. The Holders of each Series shall only have recourse to the Collateral related to such Series of Notes and shall have no right to receive payments under the Collateral related to any other Series of Notes or other assets or any other Series of the Trust.

SECTION 2.3. SERIES TRUST. The Trust is a series trust pursuant to Sections 3804 and 3806(b)(2) of the Delaware Statutory Trust Act, and each Series of the

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Trust shall be a separate series of the Trust within the meaning of Section

3806(b)(2) of the Delaware Statutory Trust Act. As such, separate and distinct records shall be maintained for each Series of the Trust and the assets of the Trust associated with each Series of the Trust shall be held and accounted for separately from the other assets of the Trust or any other Series of the Trust. The debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a Series of the Trust shall be enforceable against the assets of such Series of the Trust incurring such debts, liabilities, obligations or expenses, and not against the assets of the Trust generally or the assets of any other Series of the Trust, and, unless otherwise provided in this Trust Agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Trust generally or any other Series thereof shall be enforceable against the assets of such Series. There will be a separate Series of the Trust created pursuant to each Series Trust Supplement and corresponding to each Series of Notes issued pursuant to the Indenture.

SECTION 2.4. COMPLIANCE WITH DELAWARE AND APPLICABLE LAW. The Trust is in compliance, and agrees to conduct its business activities in accordance, with Delaware and other applicable law.

SECTION 2.5. OFFICE. The principal office of the Trust and of each Series of the Trust shall be in care of the Delaware Trustee at the Corporate Trust Office or at such other address in the State of Delaware as the Delaware Trustee may designate by written notice to the Indenture Trustee, the Administrator and the Trust Beneficial Owner. The Trust shall also maintain an office in care of the Administrator as follows:

Allstate Life Global Funding  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina 28211  
Attention: President

SECTION 2.6. DELAWARE TRUSTEE. The name and address of the Trust's trustee in the State of Delaware is as follows:

Wilmington Trust Company  
Rodney Square North  
1100 North Market Street  
Wilmington, DE 19890

SECTION 2.7. PURPOSES AND POWERS.

- (a) The purpose of the Trust is to engage in the following activities:
- (i) to hold the Deposit and other assets of the Trust not otherwise allocated to a particular Series of the Trust for the benefit of the Trust Beneficial Owner;
  - (ii) to issue, from time to time, Notes to investors, the proceeds of which are to be used to purchase Funding Agreements from Allstate Life;
  - (iii) to purchase at any time Notes at any price or prices in the open market or otherwise with such Notes to be, at the Trust's discretion, held by the Trust, resold, or surrendered to the Indenture Trustee for cancellation;
  - (iv) to register the Notes under the Securities Act and under the state securities or blue sky laws, and to qualify the Indenture as a trust indenture under the Trust Indenture Act of 1939, as amended, and to, from time to time, list one or more Series of the Notes on any stock exchanges or market systems set forth in any Pricing Supplement;
  - (v) to file with the Securities and Exchange Commission (the "COMMISSION") and execute (a) a registration statement on Form S-1 or other appropriate form, including the prospectus and the exhibits included therein, any pre-effective or post-effective amendments thereto and any registration statements filed subsequent thereto under rules promulgated under the Securities Act, relating to the registration of the Notes and any other securities under the Securities Act, (b) any preliminary prospectus or

prospectus or supplement thereto relating to any Notes required to be filed pursuant to the Securities Act, and (c) registration statements and such other documents, forms or filings as may be required by the Securities Act, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or other securities laws in each case relating to any Notes;

- (vi) to file and execute such filings, applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents as may be necessary or desirable to register, or establish the exemption from registration of, any Notes under the securities or "Blue Sky" laws of any relevant jurisdictions;
- (vii) to execute and deliver letters or documents to, or instruments for filing with, a depository relating to any Notes;
- (viii) to enter into the Support and Expenses Agreement with Allstate Life;

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- (ix) to grant a first priority perfected security interest in and collaterally assign the rights, title and interest of the Trust, with respect to the relevant Series of the Trust, in the Collateral for any Series of Notes (which may include multiple Tranches) to the Indenture Trustee for the benefit of the Holders of such Tranches of Notes and to seek release of such security interest upon payment in full of all amounts due and owing on such Series of Notes, including without limitation, principal, premium (if any) and interest and any Additional Amounts then due, required to be paid with respect to such Series of Notes pursuant to the terms and conditions of the Notes or the Indenture;
- (x) to pay the organizational, start-up, transactional and ongoing expenses of the Trust;
- (xi) to make, or cause to be made, all payments due on the Notes including interest, principal and premium (if applicable) and Additional Amounts (if applicable) in accordance with the Indenture;
- (xii) to enter into and perform its obligations under this Trust Agreement, the Program Documents, the Assigned Documents, the Pricing Supplement or any other document or instruments to which the Trust is or may become a party in connection with the issuance of each Series of the Notes or the creation of each Series of the Trust; and
- (xiii) to engage in those activities, including entering into agreements, that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith.

The Trust is hereby authorized to engage in the foregoing activities. The Trust shall have the power and authority to engage in the foregoing and not engage in any activity other than in connection with the foregoing or other than as required or authorized by the terms of this Trust Agreement or the Program Documents.

(b) The Trust will not:

- (i) sell, transfer, exchange, assign, lease, convey or otherwise dispose of any of the assets of the Trust or any Series of the Trust (now owned or hereafter acquired), including, without limitation, any portion of any Collateral other than the Deposit, except as expressly permitted by the Indenture and this Trust Agreement;

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- (ii) make any deduction or withholding from the principal of or interest on any Series of Notes (other than amounts that may be required to be withheld from such payments under the Code, or any other applicable tax law) by reason of the payment of any taxes levied or assessed upon any portion of the Collateral except to the extent specified in the Indenture or any relevant Pricing Supplement;
- (iii) engage in any business or activity other than in connection with, or relating to, (A) the execution and delivery and performance of the this Trust Agreement, Program Documents and any Assigned Documents relating to any Series of the Trust or Tranche of Notes and the transactions contemplated thereby, (B) the issuance of the Notes pursuant to the Indenture and corresponding Pricing Supplement, (C) holding the Deposit for the benefit of the Trust Beneficial Owner and (D) any activities, including entering into agreements that are necessary, suitable or convenient to accomplish the objectives listed in Section 2.7(a);
- (iv) incur or otherwise become liable, directly or indirectly, for any Indebtedness or Contingent Obligation except for the Notes and then only on a non-recourse basis and as otherwise required or contemplated under the Program;
- (v) (1) permit the validity or effectiveness of the Indenture or any grant to be impaired, or permit the Lien under the Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations under any Assigned Document, except as may be expressly permitted thereby, (2) amend or vary, or acquiesce in any amendment or variation of, or terminate, any outstanding Funding Agreement, the Support and Expenses Agreement, except as may be expressly contemplated by the Indenture, (3) create, incur, assume, or permit any Lien or other encumbrance (other than the Lien under the Indenture) on any of its properties or assets now owned or hereafter acquired, or any interest therein or the proceeds thereof or (4) permit a Lien under the Indenture not to constitute a valid first priority perfected security interest in the applicable Collateral;
- (vi) fail to comply with any material provision of this Trust Agreement or any supplement hereto;

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- (vii) lend or advance any moneys to, or make any investment in, any Person except for the investment of any funds of the Trust or any Series of the Trust held by the Indenture Trustee, Delaware Trustee, Administrator, the Registrar or the Paying Agent as provided in any Assigned Document or the Indenture;
- (viii) directly or indirectly make any distribution or other payment to the Trust Beneficial Owner, or pay, prepay, purchase, repurchase or retire any securities or any Indebtedness (or part thereof) other than (1) the repayment, redemption or repurchase of one or more Series of Notes issued in accordance with their respective originally stated terms of issue or in a negotiated transaction by and among the Holder, the Trust and Allstate Life or and Affiliate thereof, or (2) payments of Permitted Expenses;
- (ix) make any withdrawals or transfers from any Funding Agreement, or give any notice or instruction or take any other action with respect to any Funding Agreement, without (1) obtaining the prior consent of the Indenture Trustee to any such action and (2) notifying any Rating Agency then rating the Program or the relevant Series of Notes;
- (x) exercise any rights with respect to the Collateral



except at the direction of, or with the prior written approval of, the Indenture Trustee;

- (xi) become required to register as an "investment company" as such term is defined in the Investment Company Act;
- (xii) except as permitted under the Indenture, enter into any transaction of merger or consolidation or liquidate or dissolve itself (or suffer any liquidation or dissolution), or acquire by purchase or otherwise all or substantially all the business or assets of, or any stock or other evidence of beneficial ownership of, any Person;
- (xiii) have any subsidiaries or any employees other than the Delaware Trustee, the Administrator and other Persons necessary to conduct its business and enter into transactions contemplated under the Indenture;
- (xiv) have an interest in any bank account other than accounts expressly permitted by the Indenture Trustee; PROVIDED, that, any such accounts or the Trust's interest therein shall

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be charged or otherwise secured in favor of the Indenture Trustee on terms acceptable to the Indenture Trustee;

- (xv) take any position for United States Federal income tax purposes that is inconsistent with the treatment of the Notes as indebtedness of Allstate Life unless otherwise required by applicable law; or
- (xvi) vary the assets of any Series of the Trust or otherwise take any action or fail to take any action which action or failure to act would cause the Trust or any Series of the Trust to fail either to be ignored or to qualify as a "grantor trust" for United States Federal income tax purposes.
- (xvii) make any deduction or withholding from any payment of principal of or interest on any Series of Notes (other than amounts that may be required to be withheld or deducted from such payments under the Code or any other applicable tax law) by reason of the payment of any taxes levied or assessed upon any portion of any relevant Collateral except of to the extent specified in the Indenture or the applicable Note;
- (xviii) permit any Affiliate, employee or officer of Allstate Life or any Agent to be a trustee of the Trust; or
- (xix) commingle the assets of any Series of the Trust with any assets of any other Series of the Trust or any assets of any Series of the Trust with any assets of any of the Trust's Affiliates, or guarantee any obligation of any of the Trust's Affiliates.

SECTION 2.8. APPOINTMENT OF DELAWARE TRUSTEE. Wilmington Trust Company is hereby appointed as trustee of the Trust and each Series of the Trust thereunder, effective as of the date hereof, to have all the rights, powers and duties set forth herein.

SECTION 2.9. CAPITAL CONTRIBUTIONS OF THE TRUST BENEFICIAL OWNER. On June 24, 2002, the Trust Beneficial Owner sold, assigned, transferred, conveyed and set over to the Trust the sum of \$1,000 for the sole beneficial interest in the Deposit.

SECTION 2.10. LIABILITY. Neither the Holders, the Trust Beneficial Owner nor the Series Beneficial Owner shall have any personal liability for any liability or obligation of the Trust or any Series of the Trust. The Trust Beneficial Owner and the Series Beneficial Owner shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

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SECTION 2.11. TITLE TO COLLATERAL. Legal title to the Collateral shall be vested at all times in the Trust, except where applicable law in any jurisdiction requires title to any part of the Collateral to be vested in the Delaware Trustee or any co-trustee, in which case legal title shall be deemed to be vested in the Delaware Trustee or any co-trustee appointed hereunder for such purpose.

SECTION 2.12. SITUS OF TRUST. The Trust shall be located in the State of Delaware. The Trust shall have the right, upon consent of the Indenture Trustee, and under certain circumstances set forth in the Indenture, to change its domicile from Delaware to any other jurisdiction. All bank accounts maintained by the Delaware Trustee on behalf of the Trust or any Series of the Trust shall be located in the State of Delaware. Payments will be received by the Trust or any Series of the Trust only in Delaware or the jurisdiction of Allstate Life, the Administrator, the Indenture Trustee or co-trustee of the Trust, and payments will be made by the Trust or any Series of the Trust only from Delaware or the jurisdiction of Allstate Life, the Administrator, the Indenture Trustee or co-trustee of the Trust. The only office of the Trust or any Series of the Trust will be at the Corporate Trust Office in the State of Delaware.

SECTION 2.13. TAX TREATMENT. (a) (a) The parties hereto hereby agree, and each Holder and any Beneficial Owner of a Note by its purchase of a Note are deemed to agree, that for United States Federal, state and local income and franchise tax purposes:

- (i) each Note be treated as indebtedness of Allstate Life; and
  - (ii) the Trust and any Series of the Trust be ignored.
- (b) The parties hereto hereby agree, and each Holder and any Beneficial Owner of a Note by its purchase of a Note are deemed to have agreed, to not take any action inconsistent with the treatment described in Section 2.13(a) (including, without limitation, under United States Treasury Regulations Sections 301.7701-2, or 301-7701-3, the "check-the-box" regulations unless otherwise required by applicable laws).

#### ARTICLE 3

##### TRUST BENEFICIAL OWNER'S OWNERSHIP INTEREST IN THE DEPOSIT; INTEREST OF THE SERIES BENEFICIAL OWNER

SECTION 3.1. THE DEPOSIT. The Deposit shall be an amount equal to \$1,000.

SECTION 3.2. THE TRUST BENEFICIAL OWNER'S OWNERSHIP INTEREST IN THE DEPOSIT; INTEREST OF THE SERIES BENEFICIAL OWNER. The Trust Beneficial Owner is the sole owner of a beneficial ownership interest in the Deposit and any other assets of the Trust not allocated to a Series of the Trust. The Trust Beneficial Owner's beneficial ownership interest in the Deposit shall be evidenced by a Deposit Certificate. The Series Beneficial Owner shall not be required to make any deposit, perform any service or otherwise

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provide any consideration in exchange for its beneficial interest in any Series of the Trust. The Series Beneficial Owner's interest in each Series of the Trust will not be represented by any certificate or other instrument.

SECTION 3.3. SALE OR TRANSFER OF DEPOSIT CERTIFICATE OR SALE OR TRANSFER OF SERIES BENEFICIAL OWNER'S INTEREST PROHIBITED. Except to the extent required by applicable law, none of the Trust Beneficial Owner, the Series Beneficial Owner, the Trust, the Delaware Trustee or the Administrator shall cause or permit the sale or other transfer of all or a portion of the Trust Beneficial Owner's interest in the Trust or the Series Beneficial Owner's interest in any Series of the Trust, or cause or permit the creation, incurrence, assumption or existence of any Lien on all or a portion of the Trust Beneficial Owner's interest in the Trust or the Series Beneficial Owner's interest in any Series of the Trust. To the extent permitted by applicable law, any sale or other transfer of, or any creation, incurrence, assumption or existence of any Lien on, all or a portion of the Trust Beneficial Owner's interest in the Trust or the Series Beneficial Owner's interest in any Series of the Trust shall be null and void.

SECTION 3.4. DISTRIBUTION OF DEPOSIT. The Deposit shall be distributed in full by the Trust to the Trust Beneficial Owner upon presentation of and in exchange for the Deposit Certificate at the date and place determined

by the Trust Beneficial Owner in its sole discretion; PROVIDED, HOWEVER, that no such distribution shall be made prior to the payment to the Holders of all Series of Notes of all amounts, including, without limitation, principal, interest, premium or Additional Amounts, required to be paid to them pursuant to the terms and conditions of the Notes or the Indenture and prior to the payment to the Series Beneficial Owner of all amounts due to such Series Beneficial Owner under this Trust Agreement. By virtue of its acceptance of its designation as beneficial owner of each Series of the Trust, the Series Beneficial Owner hereby agrees that it has and shall have no interest in, to or under the Deposit and hereby agrees not to assert any claim at any time to the Deposit, any portion thereof or any amount or account representing or in which the Deposit is held.

#### ARTICLE 4 THE NOTES

SECTION 4.1. ISSUANCE OF THE NOTES IN SERIES. In connection with the issuance of the first Tranche of each new Series of Notes and the establishment of the related Series of the Trust, the parties hereto shall execute a Series Trust Supplement which shall specify the relevant terms with respect to such new Series of the Trust. Each Series of Notes shall correspond to a separate Series of the Trust. The issuance and the terms and conditions of each Series of the Notes shall be governed by the Indenture and one or more related Pricing Supplements.

SECTION 4.2. USE OF PROCEEDS; GRANT OF SECURITY INTEREST. In connection with the issuance of each Tranche of Notes, the Trust will use the net proceeds of the issuance of such Tranche of Notes to purchase from Allstate Life the Funding Agreement(s) relating to such Tranche of Notes.

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SECTION 4.3. COLLATERAL FOR EACH SERIES OF NOTES. Each Series of Notes will be secured by separate Collateral. Separate and distinct records shall be maintained for each Series of the Trust and the assets of each Series of the Trust shall be held and accounted for separately from the other assets of the Trust or any other Series of the Trust; the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to each Series of the Trust shall be enforceable against the assets of such Series of the Trust only, and not against the assets of the Trust generally or the assets of any other Series of the Trust.

SECTION 4.4. NO PARTNERS. Nothing set forth in this Trust Agreement, or contained in the Terms and Conditions, shall be construed to constitute the Holders of Notes, the Trust Beneficial Owner or the Series Beneficial Owner from time to time as partners or members of an association.

SECTION 4.5. SECURITY INTEREST IN THE COLLATERAL. The Trust shall collaterally assign and grant to the Indenture trustee, on behalf of the Holders and any other Person for whose benefit the Indenture Trustee is holding the applicable Series Collateral, a first priority perfected security interest in and to the Funding Agreement(s) purchased by the Trust. By Executing each Note, the Trust acknowledges with respect to the applicable Series, its duties set forth in this Section.

#### ARTICLE 5 AUTHORITY AND DUTIES OF THE DELAWARE TRUSTEE

SECTION 5.1. GENERAL AUTHORITY. The Delaware Trustee is authorized and empowered (but shall have no duty, except as set forth in Section 5.4), among other things, to (a) execute and deliver on behalf of the Trust the Program Documents and the Assigned Documents to which the Trust is to be a party and each certificate or other document attached as an exhibit to, or contemplated by, the Program Documents and the Assigned Documents to which the Trust is to be a party and any amendment or other agreement to which the Trust is to be a party, (b) take all actions required of the Trust or any Series of the Trust pursuant to the Program Documents and the Assigned Documents including, but not limited to (i) paying, or causing to be paid, on behalf of the Trust or the Series of the Trust any amounts due and owing by the Trust or any Series of the Trust under the Program Documents and the Assigned Documents or any other documents or instruments to which the Trust is a party, (ii) providing certificates required under the Program Documents and the Assigned Documents or other documents or instruments to which the Trust is a party and (iii) preparing for execution or executing amendments to and waivers under the Program Documents and the Assigned Documents or any other documents or instruments deliverable by the Trust thereunder or in connection herewith or therewith, (c) cause each Series of the Trust to perform under the Program Documents and the Assigned Documents to which the Trust is a party and (d) engage in those activities, including entering into agreements, that are necessary, suitable or convenient to accomplish the

foregoing or any other of the purposes of the Trust or are incidental thereto or connected therewith including, from time to time, taking such action on behalf of the Trust or any Series of the Trust as is permitted by the Program Documents and the Assigned Documents.

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SECTION 5.2. GENERAL DUTIES. It shall be the duty of the Delaware Trustee to discharge (or cause to be discharged) all of its responsibilities pursuant to the terms of this Trust Agreement, or any other documents or instruments to which it is a party and to administer the Trust and each Series of the Trust subject to the provisions of this Trust Agreement. Notwithstanding the foregoing, the Delaware Trustee shall be deemed to have discharged its duties and responsibilities hereunder to the extent (a) such duties and responsibilities shall have been performed by the Administrator and (b) the Administrator is required or permitted hereunder, under the Administrative Agreement or under any other document or instrument to which the Trust is a party, to perform any act or to discharge such duty of the Delaware Trustee or the Trust and any Series of the Trust hereunder or under the Program Documents, the Assigned Documents or any other documents or instruments to which the Trust is a party; PROVIDED, HOWEVER, that the Delaware Trustee shall not be held liable for the default or failure of the Administrator to carry out its required obligations hereunder or thereunder but only to the extent such obligations are not also required to be carried out by the Delaware Trustee.

SECTION 5.3. SPECIFIC DUTIES; FEDERAL INCOME TAX TREATMENT. The Delaware Trustee shall not take any action, or direct the Administrator to take any action, which would be inconsistent with Section 2.13 of this Trust Agreement.

SECTION 5.4. NO ACTION EXCEPT UNDER SPECIFIED DOCUMENTS OR INSTRUCTIONS. Subject to Sections 5.1, 5.2 and 5.3, Delaware Trustee is authorized and directed to enter into such other documents and take such other action in accordance with the terms hereof as the Trust Beneficial Owner (including with respect to each Series of the Trust) specifically directs in written instructions delivered to the Delaware Trustee. Whenever (a) the Delaware Trustee is unable to decide between alternative courses of action under this Trust Agreement or any other Program Document or any Assigned Document, (b) the Delaware Trustee is unsure about the application of any provision of this Trust Agreement or any other Program Document or any Assigned Document or it appears to be in conflict with any other applicable provision hereof or thereof or (c) if this Trust Agreement permits any determination by the Delaware Trustee, or is silent or is incomplete about the course of action that the Delaware Trustee is required to take given a particular set of facts, the Delaware Trustee may give appropriate notice to the Trust Beneficial Owner requesting instruction and, if the Delaware Trustee in good faith follows any written instructions it receives from the Trust Beneficial Owner, the Delaware Trustee shall not be liable to the Trust Beneficial Owner or any other Person in connection with its compliance with such written instructions. If the Delaware Trustee has not received written instruction within ten days of its notice (or within such shorter period as may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking any action not inconsistent with this Trust Agreement that it deems to be in the best interests of the Trust Beneficial Owner, and shall have no liability to the Trust Beneficial Owner for any such action or inaction; PROVIDED, HOWEVER, the Delaware Trustee shall not be required to take any action or refrain from acting if the Delaware Trustee shall reasonably determine, or shall be advised by counsel, that such action or inaction is likely to result in personal liability or is contrary to applicable law or the terms of this Trust Agreement.

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SECTION 5.5. DELEGATION OF AUTHORITIES AND DUTIES. The Delaware Trustee shall have the right to delegate any and all of its authorities and duties under this Trust Agreement to the Administrator to the extent permitted by the Delaware Statutory Trust Act and the Administrative Agreement.

#### ARTICLE 6 REGARDING THE DELAWARE TRUSTEE

SECTION 6.1. ACCEPTANCE OF TRUSTS AND DUTIES. The Delaware Trustee accepts the trusts hereby created and agrees to perform its duties hereunder with respect to such trusts but only upon the terms of this Trust Agreement. The Delaware Trustee also agrees to disburse all monies actually received by it constituting part of the Collateral upon the terms of this Trust Agreement subject to the other Program Documents. The Delaware Trustee shall not be answerable or accountable hereunder or under any other Program Document under any circumstances, except (x) for its own willful misconduct, bad faith or gross

negligence (y) for its failure to use ordinary care to disburse funds, or (z) in the case of the inaccuracy of any representation or warranty contained in Section 6.2 expressly made by the Delaware Trustee. In particular, but not by way of limitation (and subject to the exceptions set forth in the preceding sentence):

- (a) the Delaware Trustee shall not be liable for any error of judgment (unless such error of judgment constitutes gross negligence) made by a Responsible Officer;
- (b) no provision of this Trust Agreement or any other Program Document shall require the Delaware Trustee to expend or risk funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder or under any other Program Document if the Delaware Trustee shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such risk or liability is not reasonably assured or provided to it;
- (c) under no circumstances shall the Delaware Trustee be liable for Indebtedness evidenced by or arising under any of the Program Documents, including, without limitation, the Notes;
- (d) the Delaware Trustee shall not be responsible for or in respect of the validity or sufficiency of this Trust Agreement or for the form, character, genuineness, sufficiency, value or validity of any of the Collateral or for or in respect of the validity or sufficiency of the other Program Documents, other than the signature and countersignature of the Delaware Trustee on the Assigned Documents, the Notes and on the Deposit Certificate, and the Delaware Trustee shall in no event assume or incur any liability, duty, or obligation to any Holder, the Trust Beneficial Owner or

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the Series Beneficial Owner other than as expressly provided for herein in the Program Documents or the Assigned Documents;

- (e) the Delaware Trustee shall (i) not be liable for any action, inaction, default or misconduct of the Administrator, the Indenture Trustee or any other agent under any of the Program Documents, any of the Assigned Documents or otherwise, (ii) have no duty to supervise the Administrator, the Indenture Trustee or any other agent under any of the Program Documents, any of the Assigned Documents or otherwise and (iii) except as set forth in Section 5.4, have no obligation or liability to perform the obligations of the Trust or any Series of the Trust under this Trust Agreement, the Program Documents, any of the Assigned Documents or under any Federal, State, foreign or local tax law, that are required to be performed by other Persons, including without limitation, the Administrator hereunder or under the Administrative Agreement or the Indenture Trustee under the Indenture; and
- (f) with respect to the Indenture Trustee and the Holders, the Delaware Trustee undertakes to perform or observe only such of the covenants and obligations of the Delaware Trustee as are expressly set forth in this Trust Agreement, and no implied covenants or obligations with respect to the Indenture Trustee or the Holders shall be read into this Trust Agreement, the Program Documents or the Assigned Documents against the Delaware Trustee. The Delaware Trustee shall not be deemed to owe any fiduciary duty to the Indenture Trustee or the Holders, and shall not be liable to any such Person other than as a result of the gross negligence or willful misconduct of the Delaware Trustee in the performance of its express obligations under this Trust Agreement.
- (g) Notwithstanding anything to the contrary herein or in any Program Document or other document, the Delaware Trustee shall not be required to execute, deliver or certify on behalf of the Delaware Trustee, the Trust or any other Person any filings, certificates, affidavits or other instruments required by the Commission or required under the Sarbanes-Oxley Act of 2002. Notwithstanding any Person's right to instruct the Delaware Trustee, neither the Delaware Trustee nor any agent, employee, director or officer of the Delaware Trustee shall have any obligation to execute any certificates

or other documents required by the Commission or required pursuant to the Sarbanes-Oxley Act of 2002 or the rules and regulations promulgated thereunder, and the refusal to comply with any such instructions shall not constitute a default or breach under any Program Document.

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SECTION 6.2. REPRESENTATIONS AND WARRANTIES. The Delaware Trustee hereby represents and warrants, for the benefit of the Holders, that:

- (a) It is a Delaware banking corporation duly organized and validly existing in good standing under the laws of the State of Delaware. It has all requisite corporate power and authority to execute, deliver and perform its obligations under this Trust Agreement.
- (b) It has taken all corporate action necessary to authorize the execution and delivery by it of this Trust Agreement, and this Trust Agreement will be executed and delivered by one of the Responsible Officers who is duly authorized to execute and deliver this Trust Agreement on its behalf. This Trust Agreement constitutes a legal, valid and binding agreement of the Delaware Trustee, and this Trust Agreement is enforceable against it in accordance with its terms.
- (c) Neither the execution nor the delivery by the Delaware Trustee of this Trust Agreement, nor the consummation by it of the transactions contemplated hereby, nor compliance by it with any of the terms or provisions hereof, will contravene the Delaware Statutory Trust Act or any Federal or Delaware law, governmental rule or regulation governing the banking or trust powers of the Delaware Trustee or any judgment or order binding on it, or constitute any default under its charter documents or by-laws or any indenture, mortgage, contract, agreement, judgment, injunction, order or instrument to which it is a party or by which any of its properties may be bound.

SECTION 6.3. RELIANCE; ADVICE OF COUNSEL

- (a) The Delaware Trustee may rely upon, shall be protected in relying upon, and shall incur no liability to anyone in acting upon, any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond, or other document or paper reasonably believed by it in good faith to be genuine and reasonably believed by it in good faith to be signed by the proper party or parties. The Delaware Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the method of the determination of which is not specifically prescribed herein, the Delaware Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president or by the treasurer or other authorized officers of the relevant party, as to such fact or matter and such certificate shall constitute full protection to the

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Delaware Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

- (b) In the exercise or administration of the trusts hereunder and in the performance of its duties and obligations under this Trust Agreement, the other Program Documents, or the Assigned Documents, the Delaware Trustee (i) may act directly or through its agents or attorneys pursuant to agreements entered into with any of them; PROVIDED, that the Delaware Trustee shall not be liable for the conduct or misconduct of such agents or attorneys if such agents or attorneys shall have been selected by the Delaware Trustee in good faith and (ii) may consult with counsel, accountants and other skilled Persons to be selected in good faith and employed by it. The Delaware Trustee shall not be liable for anything done, suffered or omitted to be done in good faith by it in accordance with the written opinion or advice of any such counsel, accountants or other such Persons.

SECTION 6.4. DELAWARE TRUSTEE NOT LIABLE FOR NOTES AND DEPOSIT CERTIFICATE. Except as set forth in Section 6.2, the Delaware Trustee makes no representations or warranties as to the validity or sufficiency of this Trust Agreement (other than Section 6.2), of any Program Document or any Assigned Document (other than the signature and countersignature of the Delaware Trustee on the Program Documents, the Assigned Documents, the Notes and the Deposit Certificate) or of any related documents. The Delaware Trustee shall at no time have any responsibility or liability for or with respect to the sufficiency of the Collateral or its ability to generate the payments to be distributed under this Trust Agreement and any Program Documents or any Assigned Document.

SECTION 6.5. DELAWARE TRUSTEE MAY OWN NOTES. Except to the extent prohibited under the terms of any Series of Notes, the Delaware Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes of any Series and subject to Section 9.1, may otherwise deal with the Trust or any Affiliate of the Trust with the same rights as it would have if it were not Delaware Trustee.

ARTICLE 7  
COMPENSATION OF DELAWARE TRUSTEE

SECTION 7.1. DELAWARE TRUSTEE'S FEES AND EXPENSES. Wilmington Trust Company shall receive compensation for its services hereunder as set forth in a separate fee agreement between Wilmington Trust Company and the Trust.

SECTION 7.2. INDEMNIFICATION. The Trust agrees to indemnify the Wilmington Trust Company and its directors, officers, employees, and agents (collectively, the "INDEMNIFIED PARTIES") from and against, any cost, claim, loss, liability, tax, expense (including the reasonable compensation of its agents and counsel) (collectively, "EXPENSES") which may at any time be imposed on, incurred by, or asserted

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against any Indemnified Party in any way relating to or arising out of this Trust Agreement, the Program Documents and any other documents or instruments entered into by or on behalf of the Trust, the Collateral, the administration of the Collateral or the action or inaction of the Delaware Trustee hereunder; PROVIDED, that the Trust shall not be liable for or required to indemnify an Indemnified Party from and against Expenses arising or resulting from (a) the Indemnified Party's own willful misconduct, bad faith or gross negligence, (b) the inaccuracy of any representation or warranty contained in Section 6.2 expressly made by the Indemnified Party or (c) any income or franchise tax imposed on the Delaware Trustee's fees. In no event shall the Delaware Trustee be entitled to make any claim upon the Collateral for the payment or reimbursement of any Expenses. The indemnities contained in this Section 7.2 shall survive the resignation or termination of the Delaware Trustee or the termination of this Trust Agreement.

SECTION 7.3. NO RECOURSE.

- (a) To the fullest extent permitted by applicable law, no recourse under any obligation, covenant or agreement of the Trust Beneficial Owner contained in this Trust Agreement shall be had against AMACAR Pacific Corp. acting in its capacity as the Administrator or the Trust Beneficial Owner, or any incorporator, stockholder, officer, director or employee of AMACAR Pacific Corp. acting in its capacity as the Administrator or the Trust Beneficial Owner, by the enforcement of any assessment or by any legal or equitable proceeding or otherwise; it being expressly agreed and understood that this Trust Agreement is solely a corporate obligation of the Trust Beneficial Owner, and that no personal liability whatever shall attach to or be incurred by the incorporator, stockholder, officers, directors or employees of AMACAR Pacific Corp. acting in its capacity as the Administrator or the Trust Beneficial Owner, or any of them under or by reason of any of the obligations, covenants or agreements of the Trust Beneficial Owner contained in this Trust Agreement, or implied therefrom, and that any and all personal liability for breaches by the Trust Beneficial Owner of any of such obligations, covenants or agreements either at common law or at equity, or by statute or constitution, of AMACAR Pacific Corp., acting in its capacity as the Administrator or the Trust Beneficial Owner, and every such incorporator, stockholder, officer, director or employee is hereby expressly waived as a condition of and in consideration for the execution of this Trust Agreement; PROVIDED, HOWEVER, that nothing in this Section 7.3 shall relieve any of the

foregoing Persons from any liability arising from his, her or its willful misconduct or intentional misrepresentation.

- (b) To the fullest extent permitted by applicable law, no recourse under any obligation, covenant or agreement of Wilmington Trust Company contained in this Trust Agreement shall be had against

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any incorporator, stockholder officer, director or employee of Wilmington Trust Company, by the enforcement of any assessment or by any legal or equitable proceeding or otherwise; it being expressly agreed and understood that this trust Agreement is solely a corporate obligation of Wilmington Trust Company, and that no personal liability whatever shall attach to or be incurred by the incorporator, stockholder, officers, directors or employees of Wilmington Trust Company, or any of them under or by reason of any of the obligations, covenants or agreements of Wilmington Trust Company contained in this Trust Agreement, or implied therefrom, and that any and all personal liability for breaches by Wilmington Trust Company of any of such obligations, covenants or agreements either at common law or at equity, or by statute or constitution, and every such incorporator, stockholder, officer, director or employee is hereby expressly waived as a condition of and in consideration for the execution of this Trust Agreement. Further, it is expressly understood and agreed by the parties hereto that (a) the Delaware Trustee executes and delivers documents on behalf of the Trust, not individually or personally, but solely as Delaware Trustee, in the exercise of the powers and authority conferred and vested in it, pursuant to this Trust Agreement, (b) each of the representations, undertakings and agreements made in such documents on the part of the Trust is made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company but is made and intended for the purpose for binding only the Trust, (c) nothing therein contained shall be construed as creating any liability on Wilmington Trust Company, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties thereto, and (d) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Trust or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Trust under such agreements or any other related documents.

#### ARTICLE 8 DISSOLUTION AND TERMINATION

##### SECTION 8.1. TERMINATION OF TRUST AGREEMENT.

- (a) The Trust shall dissolve, wind up and terminate in accordance with Section 3808 of the Delaware Statutory Trust Act upon the first to occur of (i) judicial dissolution of the Trust, or (ii) following the payment to the Holders of all Series of Notes, to the Series

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Beneficial Owner and to the Trust Beneficial Owner of all amounts required to be paid to them pursuant to the Notes, the Indenture, this Trust Agreement, the Program Documents and the Assigned Documents. An insolvency event, liquidation, dissolution, death or incapacity with respect to the Trust Beneficial Owner, the Series Beneficial Owner, the Delaware Trustee, the Administrator or any of the other Agents or any Holder shall neither (i) operate to terminate this Trust Agreement, the Trust or any Series of the Trust, nor (ii) entitle any of their legal representatives or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of all or any part of the Trust, any Series of the Trust or the Collateral nor (iii) otherwise affect the rights, obligations and liabilities of the other Holders or the parties hereto or any other document or instrument entered into by the Trust, nor (iv) dissolve the



Trust.

- (b) The Trust shall dissolve only as provided in this Section 8.1, and otherwise no Person, including the Indenture Trustee, the Trust Beneficial Owner or the Series Beneficial Owner, shall be entitled to revoke or dissolve the Trust or terminate any Series of the Trust. The Administrator shall act as the liquidator of the Trust and shall be responsible for directing the Delaware Trustee to take all required actions in connection with winding up the Trust. The Delaware Trustee shall have no liability for following such direction to the extent it acts in good faith.
- (c) Upon the final distribution of the Collateral of each Series of the Trust, the Delaware Trustee shall have the power and authority to cause the Certificate of Trust to be cancelled by filing a certificate of cancellation with the Secretary of State of Delaware in accordance with the provisions of Section 3810 of the Delaware Statutory Trust Act, at which time the Trust and this Trust Agreement shall terminate.

SECTION 8.2. DISTRIBUTION OF REMAINING COLLATERAL. In the event that after the payment (a) of all amounts required to be paid to them pursuant to the Notes, the Indenture, this Trust Agreement and other Program Documents and (b) of all expenses and other liabilities of the Series of the Trust there shall be any funds remaining in the relevant Series of the Trust or in any accounts in which the Trust has an interest, such remaining funds shall be distributed to the Series Beneficial Owner.

SECTION 8.3. TERMINATION OF A SERIES. Unless otherwise set forth in the Series Trust Supplement, a Series of the Trust shall terminate upon payment to the Holders of such Series of Notes of all amounts, including, without limitation, principal, premium (if any) interest and any Additional Amounts, required to be paid to them pursuant to the terms and conditions of the Notes or the Indenture. Upon termination of a

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Series of the Trust, the Delaware Trustee shall pay any remaining amounts to the Series Beneficial Owner.

#### ARTICLE 9 SUCCESSOR DELAWARE TRUSTEE

SECTION 9.1. ELIGIBILITY REQUIREMENTS FOR DELAWARE TRUSTEE. The Delaware Trustee shall at all times (a) be a Person satisfying the provisions of Section 3807(a) of the Delaware Statutory Trust Act, (b) be authorized to exercise corporate trust powers, (c) have a combined capital and surplus of at least \$50,000,000 and (d) be subject to supervision or examination by relevant Federal or State authorities. If the Delaware Trustee shall publish reports of condition at least annually, pursuant to applicable law or to the requirements of any said supervising or examining authority, then for the purpose of this Section 9.1, the combined capital and surplus of the Delaware Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Delaware Trustee shall cease to be eligible in accordance with the provisions of this Section 9.1, the Delaware Trustee shall resign immediately in the manner and with the effect specified in Section 9.2.

SECTION 9.2. RESIGNATION OR REMOVAL OF DELAWARE TRUSTEE.

- (a) The Delaware Trustee may resign as Delaware Trustee, or the Administrator, acting on behalf of the Trust, may, in its sole discretion, remove the Delaware Trustee, in each case with thirty (30) days' prior notice to the Delaware Trustee, the Indenture Trustee and each Rating Agency then rating the Program or any Series of the Notes. Upon any resignation or removal of the Delaware Trustee, the Administrator, acting on behalf of the Trust, shall appoint a successor Delaware Trustee whereupon such successor Delaware Trustee shall succeed to the rights, powers and duties of the Delaware Trustee, and the term "Delaware Trustee" shall thereupon mean such successor Delaware Trustee effective upon such appointment and approval, and the predecessor Delaware Trustee's powers and duties as Delaware Trustee shall be terminated, without any other or further act or deed on the part of such predecessor Delaware Trustee or any of the parties to this Trust Agreement or any holders of the obligations owing hereunder; PROVIDED, that if at any time the Delaware Trustee shall cease to be eligible in accordance with

Section 9.1 and shall have not resigned, or if at any time the Delaware Trustee, shall become incapable of acting or shall be adjudged bankrupt or insolvent, or a receiver for the Delaware Trustee or for its property shall be appointed, or any public officer shall take charge or control of the Delaware Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Administrator may remove the Delaware Trustee. On and after the effective date of any resignation or removal of the Delaware Trustee hereunder,

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the provisions of this Article 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Delaware Trustee under this Trust Agreement. Any such resignation or removal shall become effective following the appointment of a successor Delaware Trustee in accordance with the provisions of this Section 9.2.

- (b) If no successor Delaware Trustee shall be appointed and shall have accepted such appointment within thirty (30) days after the aforesaid notice of resignation or removal, the Trust (or the Administrator, acting on its behalf) or the resigning Delaware Trustee may apply to any court of competent jurisdiction to appoint a successor Delaware Trustee to act until such time, if any, as a successor Delaware Trustee shall have been appointed as provided in this Section 9.2. Any successor so appointed by such court shall immediately and without further act be superseded by any successor Delaware Trustee appointed pursuant to this Section 9.2. Any Delaware Trustee shall be entitled to all Delaware Trustee fees to the extent incurred or arising, or relating to events occurring, before such resignation or removal becomes effective, and the protections of Sections 7.1 and 7.2 with respect to any Expenses to the extent incurred or arising, or relating to events occurring, before such resignation or removal shall survive.
- (c) If at any time the Delaware Trustee shall resign or be removed or otherwise become incapable of acting, or if at any time a vacancy shall occur in the office of the Delaware Trustee for any other cause, a successor Delaware Trustee shall be appointed as set forth in this Section 9.2. The powers, duties, authority and title of the predecessor Delaware Trustee shall be terminated and canceled without any formality (except as may be required by applicable law) other than appointment and designation of a successor Delaware Trustee in writing duly acknowledged and delivered to the predecessor Delaware Trustee and the Trust.

SECTION 9.3. SUCCESSOR DELAWARE TRUSTEE. Each successor Delaware Trustee appointed hereunder shall execute, acknowledge and deliver to the Administrator and to the predecessor Delaware Trustee an instrument accepting such appointment under this Trust Agreement, and thereupon the resignation or removal of the predecessor Delaware Trustee shall become effective, the resigning Delaware Trustee shall be released of all duties and trusts hereunder, and such successor Delaware Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties, and obligations of the predecessor Delaware Trustee under this Trust Agreement, with like effect as if originally named as Delaware Trustee. The predecessor Delaware Trustee shall duly transfer and deliver to the successor Delaware Trustee all documents and statements and property and monies held by it under this Trust Agreement, and the Administrator and the predecessor Delaware Trustee shall execute and deliver such

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instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Delaware Trustee all such rights, powers, duties, trusts and obligations of the predecessor Delaware Trustee.

No successor Delaware Trustee shall accept appointment as provided in this Section 9.3 unless, at the time of such acceptance, such successor Delaware Trustee shall be eligible pursuant to Section 9.1.

Upon acceptance of appointment by a successor Delaware Trustee pursuant to this Section 9.3, the Administrator shall mail notice of such

appointment to the Administrator, the Indenture Trustee, the Relevant Agents and each Rating Agency then rating the Program or any Series of the Notes. If the Administrator shall fail to mail such notice within ten (10) days after acceptance of appointment by the successor Delaware Trustee, the successor Delaware Trustee shall cause such notice to be mailed in the manner aforesaid.

SECTION 9.4. MERGER OR CONSOLIDATION OF DELAWARE TRUSTEE. Any Person into which the Delaware Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Delaware Trustee shall be a party, or any Person succeeding to all or substantially all of the corporate trust business of the Delaware Trustee, shall, without the execution or filing of any instrument or any further act on the part of any of the parties hereto, anything to the contrary herein notwithstanding, be the successor of the Delaware Trustee hereunder; PROVIDED, that such Person shall be otherwise qualified and eligible under this Article 9; PROVIDED, FURTHER, that the Delaware Trustee shall mail notice of such merger, conversion or consolidation to the Trust, the Indenture Trustee, the Relevant Agents, and each Rating Agency then rating the Program or any Series of the Notes not less than fifteen (15) days prior to the effective date thereof.

SECTION 9.5. APPOINTMENT OF CO-DELAWARE TRUSTEE OR SEPARATE DELAWARE TRUSTEE. Notwithstanding any other provisions of this Trust Agreement, for the purpose of meeting any requirements imposed upon the Trust or any Series of the Trust by any court or governmental agency of any jurisdiction in which any part of the Collateral may at the time be located, the Administrator and the Delaware Trustee acting jointly shall at any time have the power and shall execute and deliver all instruments necessary to appoint one or more Persons approved by the Delaware Trustee to act as co-Delaware Trustee, jointly with the Delaware Trustee, or separate Delaware Trustee, of all or any part of the Collateral, and to vest in such Person, in such capacity, such title to the Trust, or any part thereof (including any Series of the Trust) and, subject to the other provisions of this Section 9.5, such powers, duties, obligations, rights and trusts as the Administrator and the Delaware Trustee may deem necessary or desirable. If the Administrator shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, the Delaware Trustee alone shall have the power to make such appointment. No co-Delaware Trustee or separate Delaware Trustee under this Trust Agreement shall be required to meet the terms of eligibility pursuant to Section 9.1, and no notice of the appointment of any co-Delaware Trustee or separate Delaware Trustee shall be required pursuant to Section 9.3.

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Each separate Delaware Trustee and co-Delaware Trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) the rights, powers, duties, and obligations hereby conferred or imposed upon the Delaware Trustee shall be conferred or imposed upon and exercised or performed by the Delaware Trustee and such separate Delaware Trustee or co-Delaware Trustee (it being understood that such separate Delaware Trustee or co-Delaware Trustee is not authorized to act separately without the Delaware Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Delaware Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties, and obligations (including the holding of title to the Trust or any portion thereof (including any Series of the Trust) in any such jurisdiction) shall be exercised and performed by such separate Delaware Trustee or co-Delaware Trustee, but solely at the direction of the Delaware Trustee;

(ii) except as provided in Section 6.1, no Delaware Trustee under this Trust Agreement shall be personally liable by reason of any act or omission of any other Delaware Trustee under this Trust Agreement; and

(iii) the Administrator and the Delaware Trustee acting jointly may at any time accept the resignation of or remove any separate Delaware Trustee or co-Delaware Trustee.

Any notice, request or other communication delivered to the Delaware Trustee shall be deemed to have been delivered to each of the then separate Delaware Trustee and co-Delaware Trustee, as effectively as if given to each of them. Every instrument appointing any separate Delaware Trustee or co-Delaware Trustee shall refer to this Trust Agreement and the conditions of this Article 9. Each separate Delaware Trustee and co-Delaware Trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Delaware Trustee or separately, as may be provided therein, subject to all the provisions of this

Trust Agreement, specifically including every provision of this Trust Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Delaware Trustee. Each such instrument shall be filed with the Delaware Trustee and a copy thereof given to the Administrator.

Any separate Delaware Trustee or co-Delaware Trustee may at any time appoint the Delaware Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Trust Agreement on its behalf and in its name. If any separate Delaware Trustee or co-Delaware Trustee shall become incapable of acting, resign or be removed, all of its estates, titles, properties, rights, remedies and trusts shall vest in and be exercised by the Delaware Trustee, to the extent permitted by law, without the appointment of a new or successor separate Delaware Trustee or co-Delaware Trustee, as the case may be.

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ARTICLE 10  
MISCELLANEOUS

SECTION 10.1. SUPPLEMENTS AND AMENDMENTS.

- (a) This Trust Agreement may be amended in writing by the Delaware Trustee and the Trust Beneficial Owner, with the consent of the Indenture Trustee and with prior written notice to each Rating Agency then rating the Program or any Series of the Notes; PROVIDED, HOWEVER, that such action shall not, as evidenced by an Opinion of Counsel satisfactory to the Delaware Trustee and the Indenture Trustee, adversely affect in any material respect the interests of any Holder of the Notes or the Deposit Certificate (including without limitation, changing the amount of timing for any payment or impair the rights of any Holder of the Notes or the Indenture Trustee to institute suit for the enforcement of any right for principal and interest); PROVIDED, FURTHER, that an Opinion of Counsel shall be furnished to the Indenture Trustee and the Delaware Trustee to the effect that such amendment (i) will not materially and adversely affect United States Federal, State or local income or franchise taxation of any outstanding Notes or any Holder thereof; (ii) will not cause the Trust to be taxable as a corporation or partnership for United States Federal, State or local income or franchise tax purposes; (iii) will not cause any Series of the Trust to fail either to be ignored or to qualify as a "grantor trust" under Subpart E of Part I of Subchapter J of the Code; and (iv) will not cause any outstanding Notes to be treated as other than indebtedness of Allstate Life for Federal, State or local tax purposes.
- (b) Promptly after the execution of any such amendment or consent, the Administrator shall furnish a copy of such amendment or consent (including those obtained or effected hereby) to the Indenture Trustee and each other Agent, the Trust Beneficial Owner, the Relevant Agents and each Rating Agency then rating the Program or any Series of the Notes.
- (c) Contemporaneously with, or promptly after, the execution of any amendment hereto requiring amendment to the Certificate of Trust, the Delaware Trustee shall cause the filing of such amendment to the Certificate of Trust with the Secretary of State of the State of Delaware.
- (d) Prior to the execution of any amendment to this Trust Agreement or the Certificate of Trust, the Delaware Trustee shall be entitled to receive and conclusively rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by

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this Trust Agreement. The Delaware Trustee may, but shall not be obligated to, enter into any such amendment which affects the Delaware Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

- (e) In connection with the execution of any amendment to this Trust Agreement or any amendment to any other agreement to which the Trust is a party, the Delaware Trustee shall be entitled to receive and conclusively rely upon an Opinion of Counsel to the effect that such amendment is authorized or

permitted by the Program Documents and that all conditions precedent in the Program Documents for the execution and delivery thereof by the Trust or the Delaware Trustee, as the case may be, have been satisfied.

SECTION 10.2. LIMITATION ON RIGHTS OF OTHERS. The provisions of this Trust Agreement are solely for the benefit of the Delaware Trustee, the Holders, the Series Beneficial Owner and the Trust Beneficial Owner, and nothing in this Trust Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Collateral or under or in respect of this Trust Agreement or any covenants, conditions or provisions contained herein.

SECTION 10.3. NOTICES. All demands, notices, instructions and other communications hereunder shall be in writing (including telecopied or telegraphic communications) and shall be personally delivered, mailed or transmitted by telecopy or telegraph, respectively, to the address set forth below (or, in the case of any other relevant party, addressed as set forth in a separate notice delivered to all relevant parties):

If to the Delaware Trustee:  
Allstate Life Global Funding  
c/o Wilmington Trust Company  
Rodney Square North  
1100 North Market Street  
Wilmington, Delaware 19890

Attention: Corporate Trust Administration  
Telephone: 302-636-6308  
Facsimile: 302-636-4140

If to the Administrator and the Trust Beneficial Owner:  
AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina 28211

Attention: President  
Telephone: (704) 365-0569  
Facsimile: (704) 365-1632

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If to any other Person, at the address previously furnished in writing to the Delaware Trustee, the Administrator and the Trust Beneficial Owner.

SECTION 10.4. SEVERABILITY. If any provision of, or obligation under, this Trust Agreement, or the application thereof to any Person or under any circumstance, shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions of, and any obligations under, this Trust Agreement, or the application of such provision in any other jurisdiction shall not in any way be affected or impaired thereby, and each provision of this Trust Agreement shall be valid and enforceable to the extent permitted by applicable law.

SECTION 10.5. COUNTERPARTS. This Trust Agreement and any amendments, modifications, restatements, supplements and/or replacements hereof, or waivers or consents hereto, instrument may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, when taken together, shall constitute one and the same instrument. This Trust Agreement shall become effective upon the execution of a counterpart to each of the parties hereto.

SECTION 10.6. SUCCESSORS AND ASSIGNS. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of each of the Delaware Trustee, the Series Beneficial Owner and the Trust Beneficial Owner, and their respective permitted successors and assigns, all as herein provided.

SECTION 10.7. NO PETITION. To the extent permitted by applicable law, each of the Delaware Trustee, the Series Beneficial Owner (by accepting its interest in Series of the Trust) and the Trust Beneficial Owner (by accepting the Deposit Certificate) hereby covenants and agrees that it will not institute against, or join with any other Person in instituting against, the Trust or any Series of the Trust any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any applicable bankruptcy or similar law. This Section 10.7 shall survive termination of this Trust Agreement.

SECTION 10.8. LIMITED RECOURSE. Notwithstanding anything to the contrary contained in this Trust Agreement, the obligations of each Series of the Trust under this Trust Agreement and all Program Documents and other documents or instruments entered into by the Trust, are solely the obligations of each Series of the Trust and shall be payable solely to the extent of funds received by and available to each Series of the Trust under the Funding Agreements, and the Support and Expense Agreement for the related Series of Notes and from other Collateral received by and available to such Series of the Trust. No recourse shall be had for the payment of any amount owing in respect of any obligation of, or claim against, any Series of the Trust arising out of or based upon this Trust Agreement, the Notes, any other Program Document or Assigned Document against any holder of a beneficial interest, employee, agent, officer or Affiliate of such Series of the Trust and, except as specifically provided herein and in the other Program Documents or Assigned Documents, no recourse shall be

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had for the payment of any amount owing in respect of any obligation of, or claim against, any Series of the Trust arising out of or based upon this Trust Agreement, the Notes, any other Program Documents or Assigned Documents against the Indenture Trustee, the Delaware Trustee, the Administrator, Allstate Life, or any of their respective holders of beneficial interests, employees, agents, officers, directors, incorporators or Affiliates.

SECTION 10.9. HEADINGS. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 10.10. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL.

- (a) This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to its choice of law principles.
- (b) All judicial proceedings brought against the Trust arising out of or relating to this Trust Agreement or any portion of any Collateral may be brought in any State or Federal Court located in the Borough of Manhattan, the City of New York, the State of New York. Nothing herein shall affect the right of any party hereto to bring proceedings against any other party hereto in the courts of any other jurisdiction.
- (c) THE PARTIES HERETO HEREBY AGREE THAT NO PARTY SHALL REQUEST A TRIAL BY JURY IN THE EVENT OF LITIGATION BETWEEN THEM CONCERNING THIS TRUST AGREEMENT OR ANY CLAIMS OR TRANSACTIONS IN CONNECTION HERewith, AND ANY SUCH RIGHT TO TRIAL BY JURY IS EXPRESSLY WAIVED. EACH OF THE PARTIES HERETO HEREBY ACKNOWLEDGE THAT SUCH WAIVER IS MADE WITH FULL UNDERSTANDING AND KNOWLEDGE OF THE NATURE OF THE RIGHTS AND BENEFITS WAIVED HEREBY.

SECTION 10.11. SERIES BENEFICIAL OWNER BOUND BY TRUST AGREEMENT. By accepting an interest in a Series of the Trust, the Series Beneficial Owner agrees to be bound by and shall comply with the terms of this Trust Agreement.

SECTION 10.12. ENTIRE AGREEMENT. This Trust Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all previous agreements between the parties, whether written or oral.

SECTION 10.13. NO WAIVER. No failure on the part of the parties hereto to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single

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or partial exercise thereof or the exercise of any other right, power or privilege operate as such a waiver.

SECTION 10.14. REMEDIES CUMULATIVE. No right, power or remedy of the parties hereunder shall be exclusive of any other right, power or remedy, but shall be cumulative and in addition to any other right, power or remedy thereunder or now or hereafter existing by law or in equity.

SECTION 10.15. THE ADMINISTRATOR. Subject to the terms and conditions of the Administrative Agreement, the Administrator is hereby appointed as an

agent of the Trust and shall have the same general authority as the Delaware Trustee, as set forth in Section 5.1 hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

WILMINGTON TRUST COMPANY,  
in its individual capacity

By: \_\_\_\_\_

Name:  
Title:

AMACAR Pacific Corp.,  
as Trust Beneficial Owner

By: \_\_\_\_\_

Name: Douglas K. Johnson  
Title: President

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EXHIBIT A

FORM OF DEPOSIT CERTIFICATE

U.S. \$1,000

DEPOSIT CERTIFICATE

THIS DEPOSIT CERTIFICATE IS NOT TRANSFERABLE IN WHOLE OR IN PART AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY ATTEMPTED TRANSFER OF THIS DEPOSIT CERTIFICATE SHALL BE NULL AND VOID.

THE PRINCIPAL OF THIS CERTIFICATE IS DISTRIBUTABLE AS SET FORTH IN THE TRUST AGREEMENT.

ALLSTATE LIFE GLOBAL FUNDING

DEPOSIT CERTIFICATE

evidencing a beneficial interest in the U.S. \$1,000 deposit (the "DEPOSIT") of Allstate Life Global Funding (the "TRUST") and any other assets of the Trust not allocated to a Series of the Trust.

(This Deposit Certificate does not represent an interest in other assets or property of the Trust or any Series of the Trust.)

THIS CERTIFIES THAT AMACAR Pacific Corp. is the registered owner of a nonassessable, fully paid, beneficial ownership interest in the Deposit of the Trust. This Deposit Certificate has an aggregate principal amount of U.S. \$1,000 and bears no interest.

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Each certificateholder, by its acceptance of this Deposit Certificate, covenants and agrees that, to the extent permitted by applicable law, such certificate will not at any time institute against the Trust or any Series of the Trust, or join in any institution against the Trust or any Series of the Trust of any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Deposit Certificate or the Trust Agreement of Allstate Life Global Funding dated June 24, 2002, as the same may be amended, modified, restated, supplemented, and/or replaced from time to time (the "Trust Agreement").

Reference is hereby made to the further provisions of this Deposit Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Delaware Trustee, by manual signature, this Deposit Certificate shall not entitle the holder hereof to any benefit under the Trust Agreement or be valid for any purpose.

This Deposit Certificate shall be construed in accordance with the laws of the State of Delaware, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

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DELAWARE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is the Deposit Certificate referred to in the Trust Agreement of Allstate Life Global Funding, dated as of -, 2002, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

Dated: -, 2002

WILMINGTON TRUST COMPANY,  
not in its individual capacity,  
but solely as Delaware Trustee

By: \_\_\_\_\_  
Name:  
Title:

OR

By: -,  
as Authenticating Agent

By: \_\_\_\_\_  
Name:  
Title:

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IN WITNESS WHEREOF, the Delaware Trustee, on behalf of the Trust and not in its individual capacity, has caused this Deposit Certificate to be duly executed.

ALLSTATE LIFE GLOBAL FUNDING

By: WILMINGTON TRUST COMPANY  
not in its individual capacity,  
but solely as Delaware Trustee

By: \_\_\_\_\_  
Name:  
Title:

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EXHIBIT B

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SERIES TRUST SUPPLEMENT NO. -  
TO THE  
TRUST AGREEMENT



OF  
ALLSTATE LIFE GLOBAL FUNDING

DATED AS OF -, 2002

SERIES \_\_

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THIS SERIES TRUST SUPPLEMENT NO. - (this "SERIES TRUST SUPPLEMENT"), dated as of -, is entered into among -, in its capacity as Delaware Trustee (the "DELAWARE TRUSTEE"), The American National Red Cross, as Series Beneficial Owner with respect to Series \_\_, and AMACAR Pacific Corp., in its individual capacity as Trust Beneficial Owner (the "TRUST BENEFICIAL OWNER"), under the Amended and Restated Trust Agreement, dated as of -, 2002 between the Delaware Trustee and the Trust Beneficial Owner (as amended, modified, restated, supplemented and/or replaced from time to time, exclusive of any supplement entered into for the purpose of creating a separate Series of the Trust, the "TRUST AGREEMENT").

WHEREAS, Sections 2.2 and 4.1 of the Trust Agreement provide, among other things, that the Trust may at any time and from time to time enter into a supplement to the Trust Agreement for the purpose of creating a separate Series of the Trust and authorizing a separate Series of Notes.

NOW, THEREFORE, in consideration of the premises and covenants set forth in this Series Trust Supplement the parties agree as follows:

ARTICLE 1  
DEFINITIONS; REFERENCES

SECTION 1.1. TRUST AGREEMENT DEFINITIONS. All capitalized terms used herein not otherwise defined shall have the meanings ascribed to such terms in the Trust Agreement.

SECTION 1.2. REFERENCES; INTERPRETATION.

- (a) All Article and Section references herein shall refer to Articles and Sections of the Trust Agreement, except as otherwise provided herein.
- (b) The words "include", "includes" and "including" shall be construed to be followed by the words "without limitation".
- (c) Article and Section headings herein are for the convenience of

the reader and shall not be considered in interpreting this Series Trust Supplement or the intent of the parties hereto.

- (d) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Series Trust Supplement as a whole and not to any particular Article or Section or other subdivision.

SECTION 1.3. SERIES DEFINITIONS. Unless otherwise provided herein or unless such term is otherwise defined in the Trust Agreement, each capitalized term used or defined herein shall relate only to the Series of the Trust and the Series of Notes authorized under this Series Trust Supplement.

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## ARTICLE 2 SERIES TRUST

SECTION 2.1. CREATION OF SERIES TRUST. Series No. - of the Trust is hereby created. The Trust is hereby creating a new Series of the Trust pursuant to Section 3806(b)(2) of the Delaware Statutory Trust Act, and is authorized to issue a Series of Notes and to perform all acts and to enter into a Pricing Supplement(s) and such other agreements as may be necessary in connection therewith.

SECTION 2.2. AUTHORITY. The Delaware Trustee and the Administrator are authorized to execute such documents on behalf of the Trust or the relevant Series of the Trust and take such action on behalf of the Trust or the relevant Series of the Trust as may be incidental thereto.

SECTION 2.3. SERIES OF NOTES. The Series of Notes referred to herein and all Tranches thereof shall be issued under and governed by the Indenture and the related Pricing Supplement.

SECTION 2.4. TERMINATION OF A SERIES. The termination of any particular Series of the Trust will not have the effect of dissolving or terminating the Trust or any other Series of the Trust.

## ARTICLE 3 GENERAL

SECTION 3.1. RATIFICATION OF TRUST AGREEMENT. As supplemented by this Series Trust Supplement, the Trust Agreement is in all respects ratified and confirmed and the Trust Agreement as so supplemented by this Series Trust Supplement shall be read, taken, and construed as one and the same instrument. Without limiting the foregoing, the Series of the Trust shall be subject to the provisions of Section 4.5 of the Trust Agreement.

SECTION 3.2. Indenture. The interest of the Series Beneficial Owner created hereunder shall be subject to the provisions of the Indenture.

SECTION 3.3. COUNTERPARTS.

This Series Trust Supplement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed and delivered shall be deemed to be an original and all of which counterparts, when taken together, shall together constitute one and the same instrument. This Series Trust Supplement shall become effective upon the execution of a counterpart by each of the parties hereto.

SECTION 3.4. GOVERNING LAW. This Series Trust Supplement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles.

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SECTION 3.5. AMENDMENTS. This Series Trust Supplement may be amended, modified, restated, supplemented and/or replaced from time to time from time to time in accordance with the terms of the Trust Agreement.

SECTION 3.6. SERIES BENEFICIAL OWNER BOUND BY THIS SUPPLEMENT. The Series Beneficial Owner agrees to be bound by and shall comply with the terms of the Trust Agreement and this Series Trust Supplement.

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IN WITNESS WHEREOF, the parties hereto have caused this Series Trust Supplement to be duly executed by their respective officers hereunto duly

authorized, as of the day and year first above written.

WILMINGTON TRUST COMPANY, not  
in its individual capacity,  
but solely as Delaware  
Trustee

By:

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Name:

Title:

AMACAR Pacific Corp.,  
as Trust Beneficial Owner

By:

-----

Name:

Title:

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INDENTURE  
 BETWEEN  
 ALLSTATE LIFE GLOBAL FUNDING  
 AND  
 BANK ONE, NATIONAL ASSOCIATION  
 DATED AS OF -, 2002

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This reconciliation table shall not be deemed to be part of the Indenture for any purpose.

THIS INDENTURE, dated as of -, 2002 between Allstate Life Global Funding, a statutory trust organized in series under the laws of the State of Delaware and acting hereunder with respect to each series of the Trust (the "ISSUER"), and Bank One, National Association, as indenture trustee (the "INDENTURE TRUSTEE"),

W I T N E S S E T H :

WHEREAS, the Issuer has duly authorized the issue from time to time of senior secured notes to be issued in one or more series (the "NOTES") up to the principal amount or amounts as may from time to time be authorized in accordance with the terms of this Indenture;

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms, have been done;

NOW, THEREFORE, in consideration of the premises and the purchases of the Notes by each Holder thereof, the Issuer and the Indenture Trustee mutually covenant and agree for the equal and proportionate benefit of each Holder from time to time of the Notes as follows:

ARTICLE 1  
DEFINITIONS

SECTION 1.1 CERTAIN TERMS DEFINED. The following terms shall have the meanings specified in this Section for all purposes of this Indenture and the Notes, unless otherwise expressly provided. All other terms used in this Indenture which are defined in the Trust Indenture Act or which are by reference therein defined in the Securities Act shall have the meanings (except as herein otherwise expressly provided or unless the context otherwise clearly requires) assigned to such terms in the Trust Indenture Act and in the Securities Act as in force at the date of this Indenture as originally executed.

"ADDITIONAL AMOUNTS" means any additional amounts which may be required by any Notes of a series, under circumstances specified in a Note Certificate or Supplemental Indenture for such series, to be paid by the Issuer in respect of certain taxes, assessments or other governmental charges imposed on Holders specified therein and which are owing to such Holders.

"ADMINISTRATIVE AGREEMENT" means that certain administrative services agreement dated as of June 24, 2002 by and between the Issuer and the Administrator, as the same may be amended, modified, restated, supplemental and/or replaced from time to time.

"ADMINISTRATOR" means AMACAR Pacific Corp., a Delaware corporation, in its capacity as the sole administrator of the Issuer generally and with respect to each series of the Issuer, and its permitted successors and assigns.

"AFFILIATE" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person and, in the case of an individual, any spouse or other member of that individual's immediate family. For the purposes of this definition, "control" (including with correlative meanings, the terms

"controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"AGENT" has the meaning ascribed in the relevant Distribution Agreement.

"BOOK-ENTRY NOTE" means a Note the registered ownership of which is represented by a Global Security.

"BUSINESS DAY" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York; provided, however, that, with respect to Foreign Currency Notes, the day must also not be a day on which commercial banks are authorized or required by law, regulation or executive order to close in the Principal Financial Center of the country issuing the Specified Currency (or, if the Specified Currency is Euro,

the day must also be a day on which the Target System is open); provided, further, that, with respect to Notes as to which LIBOR is an applicable Interest Rate Basis, the day must also be a London Banking Day (as defined below).

"CALCULATION AGENT" means the Indenture Trustee in its capacity as calculation agent and its successors, and each other Person specified as calculation agent with respect to any Notes in an applicable Note Certificate or Supplemental Indenture.

"CERTIFICATED NOTE" means a Note represented by a Definitive Security.

"CLEARING CORPORATION" means, with respect to any series of Notes, DTC, or any other clearing system specified in each applicable Note Certificate or Supplemental Indenture and their respective successors and "CLEARING CORPORATIONS" means all of the foregoing.

"CODE" means the United States Internal Revenue Code of 1986, as amended, including any successor statutes and any applicable rules, regulations, notices or orders promulgated thereunder.

"COLLATERAL" means, with respect to any series of Notes, (i) each Funding Agreement from time to time issued by the Funding Agreement Provider and securing such series of Notes, whether owned at the time of issuance of such series of Notes or thereafter acquired by the Issuer, including all benefits, rights, privileges and options thereunder, (ii) any other collateral specified in the applicable Note Certificate or Supplemental Indenture, (iii) all Proceeds in respect of each such Funding Agreement, and (iv) all books and records (including without limitation, computer programs, printouts and other computer materials and files) of the Issuer pertaining to the foregoing, as described in each Note Certificate or Supplemental Indenture with respect to such series of Notes.

"COMMISSION" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution of this Indenture such Commission is not existing and performing the

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duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"CORPORATE TRUST OFFICE" means the office of the Indenture Trustee at which this Indenture shall, at any particular time, be principally administered, which office is, at the date as of which this Indenture is dated, located at 1 Bank One Plaza, Suite IL1-0823, Chicago, Illinois 60670-0823, except that for the purposes of Section 4.1(f) it shall be 55 Water Street, 1st Floor, Jeannette Park Entrance, New York, New York 10041.

"DEBT" of any Person means, at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles, (v) all contingent and non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, (vi) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is otherwise an obligation of such Person, and (vii) all Guarantees by such Person of Debt of another Person (each such Guarantee to constitute Debt in an amount equal to the amount of such other Person's Debt Guaranteed thereby).

"DEFAULTED INTEREST" has the meaning specified in Section 2.8(b).

"DEFINITIVE SECURITY" means any Note Certificate which is not a Global Security.

"DELAWARE TRUSTEE" means Wilmington Trust Company, a Delaware banking corporation not in its individual capacity but solely as trustee and its successors.

"DEPOSIT" has the meaning ascribed in the Trust Agreement.

"DEPOSITARY" shall mean, with respect to the Notes of any series represented by one or more Global Securities, the Clearing Corporation or its agent or nominee designated as Depositary by the Company pursuant to Section 2.10 until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "DEPOSITARY" shall mean or include each Person who is then a Depositary hereunder, and if at any time



there is more than one such Person, "DEPOSITARY" as used with respect to the Notes of any such series shall mean the Depository with respect to the Notes of that series. Each Depository must, at the time of its designation and at all times while it serves as Depository, be a clearing agency registered under the Exchange Act and any other applicable statute or regulation.

"DISCOUNT" means, with respect to any Discount Notes, the difference between the Issue Price and the principal amount of such Discount Notes.

"DISCOUNT NOTES" shall mean any Notes that have an Issue Price that is less than 100% of the principal amount thereof by more than a percentage equal to the product of 0.25% and the number of full years to the Stated Maturity.

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"DISTRIBUTION AGREEMENT" means one or more distribution agreements entered into by and among the Issuer and each Agent named therein and subsequently added as a party to such agreement, as the same may be amended from time to time.

"DTC" means The Depository Trust Company and its successors.

"ENTITLEMENT HOLDER" means any Person in whose name Notes are credited to a securities account maintained in the name of such Person on the books and records of a Clearing Corporation or other Securities Intermediary.

"EURO" means the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the treaty establishing the European Community, as amended by the Treaty on European Union.

"EVENT OF DEFAULT" means any event or condition specified as such in Section 5.1 which shall have continued for the period of time, if any, therein designated.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"EXCHANGE EVENT" has the meaning set forth in Section 2.10(b).

"EXCHANGE RATE AGENT" has the meaning set forth in Section 4.1(c).

"FOREIGN CURRENCY NOTE" means a Note the Specified Currency of which is other than U.S. Dollars.

"FUNDING AGREEMENT" means each funding agreement between the Funding Agreement Provider and Issuer issued from time to time by the Funding Agreement Provider up to the principal amount or amounts as may from time to time be authorized by the Funding Agreement Provider and subsequently assigned by the Issuer to the Indenture Trustee, as any of the same shall be amended from time to time.

"FUNDING AGREEMENT PROVIDER" means Allstate Life Insurance Company, a life insurance company organized under the laws of the State of Illinois.

"GLOBAL SECURITY" means a single Note Certificate deposited with the Depository and registered in the name of a Clearing Corporation or its agent or nominee representing the entire issue of Book-Entry Notes of any series, or if the rules of the applicable Clearing Corporation or the applicable securities laws or regulations of any jurisdiction limit the maximum principal amount of Note Certificates, each of the minimum number of Note Certificates so deposited and registered that are required to comply with such laws, regulations and rules while representing in the aggregate the entire issue of Book-Entry Notes of any series.

"GUARANTEE" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt (whether arising by virtue of partnership arrangements, by virtue of an

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agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise), (ii) to reimburse a bank for amounts drawn under a letter of credit for the purpose of paying such Debt or (iii) entered into for the purpose of assuring in any other manner the holder of such Debt of the payment thereof or to protect such holder against loss in respect thereof (in whole or in part); PROVIDED that the term "GUARANTEE" shall not include endorsements for collection or deposit in the

ordinary course of business.

The term "GUARANTEE" used as a verb has a corresponding meaning.

"HOLDER" means, with respect to any Note, (i) any Person who has possession of the Note Certificate representing such Note if such Note is registered in the name of such Person in the applicable Note Register or (ii) if there is no such Person, any Person in whose name such Note is registered in the applicable Note Register.

"INCORPORATED PROVISION" has the meaning set forth in Section 13.10.

"INDENTURE" means this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented or both, and shall include the terms of particular series of Notes established as contemplated hereby.

"INDENTURE TRUSTEE" means the entity identified as "Indenture Trustee" in the first paragraph hereof and, subject to the provisions of Article 6, shall also include any successor Indenture Trustee.

"INITIAL REDEMPTION DATE" means, with respect to any Note or portion thereof to be redeemed pursuant to Section 3.1(b), the date on or after which such Note or portion thereof may be redeemed as determined by or pursuant to this Indenture or an applicable Note Certificate of Supplemental Indenture.

"INTEREST", (i) with respect to any Discount Note which by its terms bears interest only after maturity, means interest payable after maturity; and (ii) with respect to any Note that is not a Discount Note, means interest on such Note.

"INTEREST PAYMENT DATE" has the meaning specified in Section 2.8(a).

"ISSUE PRICE" means, with respect to any Notes, the issue price of such Notes specified in each applicable Note Certificate or Supplemental Indenture.

"ISSUER" means Allstate Life Global Funding, a statutory trust organized in series under the laws of the State of Delaware, and, subject to Article 10 hereof, its successors and assigns.

"ISSUER'S CERTIFICATE" means a certificate signed by the Administrator on behalf of the Issuer and delivered to the Indenture Trustee. Each such certificate shall include the statements provided for in Section 13.5.

"LIBOR", with respect to a series of Notes, has the meaning ascribed in an applicable Note Certificate or Supplemental Indenture.

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"LIBOR CURRENCY" means the currency specified in an applicable Note Certificate or Supplemental Indenture as to which LIBOR shall be calculated or, if no currency is specified in the applicable Note Certificate or Supplemental Indenture, United States dollars.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has substantially the same practical effect as a security interest, in respect of such asset. For purposes hereof, the Issuer shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"LONDON BANKING DAY" means a day on which commercial banks are open for business (including dealings in the LIBOR Currency) in London.

"MARKET EXCHANGE RATE" for a Specified Currency other than United States dollars means the noon dollar buying rate in The City of New York for cable transfers for the Specified Currency as certified for customs purposes (or, if not so certified, as otherwise determined) by the Federal Reserve Bank of New York.

"MATURITY DATE" means, with respect to the principal (or any installment of principal) of a series of Notes, any date prior to the Stated Maturity Date on which such principal (or such installment of principal) of such series of Notes becomes due and payable whether, as applicable, by the declaration of acceleration of maturity, notice of redemption at the option of the Issuer, notice of the Holder's option to elect repayment or otherwise.

"NONRECOURSE PARTIES" has the meaning set forth in Section 13.1.

"NOTE" has the meaning stated in the first recital of this Indenture, each in an authorized denomination and represented individually or collectively by a Note Certificate authenticated and delivered under this Indenture.

"NOTE CERTIFICATE" means a security certificate representing one or more Notes.

"NOTE REGISTER" has the meaning set forth in Section 2.6(a).

"OBLIGATIONS" means, with respect to a series of Notes, the obligations of the Issuer secured under such series of Notes and this Indenture, including (a) all principal of, any premium and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Issuer, whether or not allowed or allowable as a claim in any such proceeding) on, and any Additional Amounts with respect to, such series of Notes or pursuant to this Indenture, (b) all other amounts payable by the Issuer hereunder or under such series of Notes including all costs and expenses (including attorneys' fees) incurred by the Indenture Trustee or any Holder thereof in realizing on the Collateral to satisfy such obligations and (c) any renewals or extensions of the foregoing.

"OPINION OF COUNSEL" means an opinion in writing signed by legal counsel who may be an employee of or counsel to the Issuer or the Indenture Trustee or who may be other

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counsel satisfactory to the Indenture Trustee. Each such opinion shall include the statements provided for in Section 13.5 hereof, if and to the extent required hereby.

"OUTSTANDING", when used with reference to any series of Notes, shall, subject to the provisions of Section 8.5, mean, as of any particular time, all Notes represented by Note Certificates with respect to such series executed by the Issuer and authenticated and delivered by the Indenture Trustee under this Indenture, except (a) any Note represented by a Note Certificate theretofore cancelled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation; (b) any Note as to which funds for the full payment or redemption of which in the necessary amount shall have been deposited in trust with the Indenture Trustee or with any Paying Agent (other than the Issuer) or shall have been set aside, segregated and held in trust by the Issuer (if the Issuer shall act as its own paying agent); PROVIDED that if such Note is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as herein provided, or provision satisfactory to the Indenture Trustee shall have been made for giving such notice; and (c) any Note represented by a Note Certificate in substitution for which one or more other Note Certificates shall have been authenticated and delivered pursuant to the terms of Section 2.5 or which shall have been paid (unless proof satisfactory to the Indenture Trustee is presented that any of such Note is held by a Person in whose hands such Note is a legal, valid and binding obligation of the Issuer).

"OWNER" shall, with respect to each Funding Agreement, have the meaning specified in such Funding Agreement.

"PAYING AGENT" means the Indenture Trustee in its capacity as paying agent and its successors, and any other Person specified as paying agent with respect to any Notes in an applicable Note Certificate or Supplemental Indenture.

"PERSON" means any natural person, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, limited liability company, trust (including any beneficiary thereof), bank, trust company, land trust, trust or other organization, whether or not a legal entity, and any government or any agency or political subdivision thereof.

"PLAN" means a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), an individual retirement account or a Keogh plan subject to Section 4975 of the Code.

"PLAN ASSET ENTITY" means any entity whose underlying assets include "plan assets" by reason of any Plan's investment in the entity.

"PRINCIPAL" (i) with respect to Discount Notes, means such amount as shall be due and payable as specified in the terms of the applicable Discount Notes; and (ii) with respect to any Note that is not a Discount Note, means the principal of such Note.

"PRINCIPAL FINANCIAL CENTER" means, as applicable (i) the capital city of the country issuing the Specified Currency; or (ii) the capital city of the country to which the LIBOR Currency relates; provided, however, that with respect to United States dollars, Australian dollars, Canadian dollars, Portuguese escudos, South African and Swiss francs, the "Principal

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Financial Center" shall be The City of New York, Sydney, Toronto, London (solely in the case of the LIBOR Currency), Johannesburg and Zurich, respectively.

"PROCEEDS" means all of the proceeds of, and all other profits, products, rents, principal payments, interest payments or other receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition or maturity of, or other realization upon, a Funding Agreement, including without limitation all claims of the Issuer against third parties for loss of, damage to or destruction of, or for proceeds payable under, such Funding Agreement, in each case whether now existing or hereafter arising.

"REDEMPTION DATE" means, with respect to any Note to be redeemed, pursuant to Section 3.1(b) or Section 3.1(c), the date of redemption of such Note specified in the relevant notice of redemption provided to the Indenture Trustee pursuant to Section 3.1(d).

"REDEMPTION PRICE" means, with respect to any Note or portion thereof to be redeemed, pursuant to Section 3.1(b) or Section 3.1(c), the price for redemption of such Note or portion thereof as determined by or pursuant to this Indenture or an applicable Note Certificate or Supplemental Indenture.

"REGISTRAR" has the meaning specified in Section 2.6(a).

"REGULAR INTEREST RECORD DATE" has the meaning set forth in Section 2.8.

"REPAYMENT DATE" means, with respect to any Note or portion thereof to be repaid pursuant to Section 3.2, the date for the repayment of such Note or portion thereof as determined by or pursuant to this Indenture or an applicable Note Certificate or Supplemental Indenture.

"REPAYMENT PRICE" means, with respect to any Note or portion thereof to be repaid pursuant to Section 3.2, the price for repayment of such Note or portion thereof as determined by, or pursuant to, this Indenture or an applicable Note Certificate or Supplemental Indenture.

"RESPONSIBLE OFFICER" when used with respect to any Person means the chairman of the board of directors or any vice chairman of the board of directors or the president or any vice president (whether or not designated by a number or numbers or a word or words added before or after the title "vice president") of such Person. With respect to the Issuer, Responsible Officer means any Responsible Officer (as defined in the preceding sentence) plus any assistant secretary and any financial services officer of the Delaware Trustee or Administrator, and with respect to the Indenture Trustee, Responsible Officer means any Responsible Officer (as defined in the first sentence of this definition) plus the chairman of the trust committee, the chairman of the executive committee, any vice chairman of the executive committee, the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other authorized officer of the Indenture Trustee customarily performing functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

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"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SECURITIES INTERMEDIARY" means any Person, including any Clearing Corporation, bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

"SECURITY INTEREST" has the meaning set forth in Section 14.1.

"SERIES BENEFICIAL OWNER" means with respect to a series of Notes of the Issuer, the sole beneficial owner of such series of the Issuer as defined and used in Sections 3801(b) and 3806(b)(2) of the Delaware Statutory Trust Act, and its successors.

"SPECIAL INTEREST RECORD DATE" has the meaning set forth in Section 2.8(b).

"SPECIFIED CURRENCY" has the meaning specified in Section 2.4.

"STATED MATURITY DATE," means with respect to any Note, any installment of principal thereof, or interest thereon, any premium thereon or any Additional Amounts with respect thereto, the date established by or pursuant to this Indenture or an applicable Note Certificate or Supplemental Indenture as the date on which the principal of such Note or such installment of principal or interest or such premium is, or such Additional Amounts are, due and payable.

"SUPPLEMENTAL INDENTURE" has the meaning specified in Section 9.1.

"SUPPORT AND EXPENSES AGREEMENT" means that certain support and expenses agreement dated as of June 24, 2002, by and between the Funding Agreement Provider and the Issuer, as the same may be amended from time to time.

"TARGET SYSTEM" means the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET) System.

"TAX EVENT" has the meaning specified in Section 3.1(c).

"TRUST AGREEMENT" means that certain Trust Agreement dated as of June 24, 2002 declaring and establishing the Issuer, by and between the Trust Beneficial Owner and the Delaware Trustee, as amended by the Amended and Restated Trust Agreement dated -, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"TRUST BENEFICIAL OWNER" means AMACAR Pacific Corp., a Delaware corporation, in its capacity as the sole beneficial owner of the Trust and its successors.

"TRUST INDENTURE ACT" shall mean the Trust Indenture Act of 1939, as amended.

"UCC" means, with respect to any applicable jurisdiction, the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

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"UNITED STATES", except as otherwise provided in or pursuant to this Indenture or any Note Certificate, means the United States of America (including the states thereof and the District of Columbia), its territories and possessions and other areas subject to its jurisdiction.

"UNITED STATES DOLLARS", "U.S. DOLLARS" or "\$" means lawful currency of the United States.

SECTION 1.2 INTERPRETATION. For all purposes of this Indenture except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article shall have the meanings ascribed to them in this Article and shall include the plural as well as the singular;
- (b) all accounting terms used and not expressly defined herein shall have the meanings given to them in accordance with United States generally accepted accounting principles, and the term "generally accepted accounting principles" shall mean such accounting principles which are generally accepted at the date or time of any computation or at the date hereof;
- (c) references to Exhibits, Articles, Sections, paragraphs, subparagraphs and clauses shall be construed as references to the Exhibits, Articles, Sections, paragraphs, subparagraphs and clauses of this Indenture;
- (d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;
- (e) the words "include", "includes" and "including" shall be construed to be followed by the words "without limitation"; and
- (f) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting this Indenture or the intent of the parties hereto.

ARTICLE 2  
THE NOTES

SECTION 2.1 AMOUNT UNLIMITED. The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is unlimited.

SECTION 2.2 TITLE AND TERMS; NOTE CERTIFICATES.

(a) The Notes may be issued in one or more series, each as set forth in a Note Certificate. Each such Note Certificate shall set forth:

(i) the title of the Notes of the series (which shall distinguish the Notes of the series from all other Notes);

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(ii) any limit on the aggregate principal amount of the Notes of the series that may be issued under this Indenture (except for any Notes of the series represented by any Note Certificates authenticated and delivered upon registration of transfer of any Notes, or in exchange for, or in lieu of, other Note Certificates, pursuant to Sections 2.6, 2.7, 2.10 or 9.5);

(iii) if such Notes are to be issued as Book-Entry Notes represented by one or more Global Securities, when any of such Notes are to be issued as Book-Entry Notes and (A) whether such Book-Entry Notes may be exchanged for Certificated Notes of the same series and of like tenor and of any authorized form and denomination, and the circumstances under which any such exchanges may occur, if other than in the manner specified in Section 2.10, (B) the name of the Depository with respect to any Global Security and (C) the name of the applicable Clearing Corporation, if other than DTC;

(iv) the date or dates on which the principal of the Notes of the series is payable, including pursuant to the exercise of any right or obligation of redemption or repayment;

(v) the rate or rates at which the Notes of the series shall bear interest, if any, or the method by which such rate shall be determined, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable and the record dates for the determination of the Holder or Holders to whom interest is payable; and if the Notes of the series provide for Additional Amounts, the method by which such Additional Amounts are determined and paid;

(vi) the place or places where the principal of, any premium and interest on, and any Additional Amounts with respect to, Notes of the series shall be payable, where any Note Certificates representing Notes of such series may be surrendered for registration of transfer of any such Notes, where any of such Note Certificates may be surrendered for exchange and where notices or demands to or upon the Issuer in respect of such Notes and this Indenture may be served (in each case, if other than as provided in Section 4.2);

(vii) the right, if any, of the Issuer to redeem Notes, in whole or part, at its option and the period or periods within which, the price or prices at which, and the terms and conditions upon which, Notes of the series may be redeemed pursuant to any sinking fund or otherwise;

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(viii) the right or obligation, if any, of the Issuer to redeem, purchase or repay Notes of the series at the option of the Issuer, or pursuant to Tax Event, any mandatory redemption sinking fund or analogous provisions, or at the option of a Holder thereof or otherwise and the period or periods within which, the price or prices at which, and the terms and conditions upon which, Notes of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;

- (ix) the authorized denominations in which the Notes of the series shall be issuable, if other than \$1,000 and integral multiples of \$1,000;
  - (x) the currency in which payment of the principal of, interest and premium on, and Additional Amounts with respect to, any of such Notes shall be payable, if other than U.S. dollars;
  - (xi) whether the amount of payments of principal of, premium and interest on, and Additional Amounts with respect to, such Notes may be determined with reference to an index, formula or other method or methods and, if so, the terms and conditions upon which and the manner in which such amounts shall be determined and paid or payable;
  - (xii) if the Notes are to be listed on one or more stock exchanges, the name or names of such exchanges;
  - (xiii) if other than the principal amount thereof, the portion of the principal amount of the Notes of the series which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 5.1 or provable in bankruptcy pursuant to Section 5.2;
  - (xiv) a description of the Collateral securing the Obligations with respect to the Notes of such series;
  - (xv) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture); and
  - (xvi) any trustees, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Notes of such series (in each case, if other than as provided in this Indenture).
- (b) All Notes of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in each applicable Note Certificate or pursuant to an applicable Supplemental Indenture.
- (c) The Issuer may, within six months following the issue of a series of Notes and without the consent of any Holder, issue additional Notes with the same terms as previously issued Notes (other than the date of issuance, the

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denomination sizes, the interest commencement date and the offering price) that will form a single series with the previously issued Notes; PROVIDED, HOWEVER, prior to or simultaneously with the issuance of any such additional Notes, the Funding Agreement Provider has issued or will simultaneously issue one or more additional Funding Agreements to the Issuer to be part of the applicable series Collateral, with an aggregate principal amount equal to that of the additional Notes issued or to be issued.

#### SECTION 2.3 FORMS GENERALLY.

- (a) Each Note Certificate, and each of the Indenture Trustee's certificates of authentication, shall be in a form not inconsistent with the provisions of this Indenture, including, without limitation, Exhibit A-1 and Exhibit A-2 or as established by any Supplemental Indenture. Any Note Certificate or certificate of authentication shall include such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture or as may in the Issuer's judgment be necessary, appropriate or convenient to permit the Notes to be issued and sold, or to comply, or facilitate compliance, with applicable laws, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange on which the Notes may be listed, or as may, consistently herewith, be determined by the Responsible Officer of the Issuer executing such Note Certificates, with the approval of the Indenture Trustee, as evidenced by his or her execution thereof.

- (b) Note Certificates may be printed, lithographed, engraved, typewritten, photocopied or otherwise produced in any manner as the Responsible Officer of the Issuer executing such Notes may determine.
- (c) The terms and provisions contained in the Note Certificates and in any Supplemental Indenture shall constitute, and are hereby expressly made, a part of this Indenture and to the extent applicable the Issuer and the Indenture Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

#### SECTION 2.4 CURRENCY; DENOMINATIONS.

- (a) Unless otherwise specified in the Note Certificates or in any Supplemental Indenture for any series of Notes, Notes of such series will be denominated in, and payments of principal of, premium and interest on, and Additional Amounts in respect to, the Notes of such series will be made in, U.S. dollars. The currency in which a particular series of Notes is denominated (or, if such currency is no longer legal tender for the payment of public and private debts in the country issuing such currency or, in the case of Euro, in the member states of the European Union that

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have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, such currency which is then such legal tender) is herein referred to as the "SPECIFIED CURRENCY" with respect to such series of Notes.

- (b) If the principal of or premium and interest on, and Additional Amounts with respect to, any Note is payable in a Specified Currency other than U.S. dollars which is not available due to the imposition of exchange controls or other circumstances beyond the control of the Issuer, the Issuer shall be entitled to satisfy its obligations to holders of the Notes by making such payment in U.S. dollars on the basis of the most recently available bid quotation determined on the applicable determination date related to such payment from a leading foreign exchange bank in London or New York City selected by the Paying Agent, for the purchase of U.S. dollars with the Specified Currency for settlement on such payment date of the aggregate amount of the Specified Currency payable to all holders of Notes denominated other than in U.S. dollars scheduled to receive U.S. Dollar payments.
- (c) Unless otherwise specified in the applicable Note Certificates or in a Supplemental Indenture, Notes of any series shall be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof or equivalent denominations in other currencies.
- (d) The Issuer may (if so specified in an applicable Note Certificate or Supplemental Indenture) without the consent of the Holder of any Note, redenominate all, but not less than all, of the Notes of any series on or after the date on which the member state of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union as more fully set out in the applicable Note Certificate or Supplemental Indenture.
- (e) Unless otherwise specified in an applicable Note Certificate or Supplemental Indenture, the Issuer shall not sell Foreign Currency Notes in, or to residents of, the country issuing the Specified Currency.

#### SECTION 2.5 EXECUTION, AUTHENTICATION, DELIVERY AND DATE.

- (a) Each Note Certificate shall be executed on behalf of the Issuer by any Responsible Officer of the Issuer. The signature of any Responsible Officer of the Issuer may be manual, in facsimile form, imprinted or otherwise reproduced and may, but need not, be attested.
- (b) Each Note Certificate bearing the signature of a Person who was at any time a Responsible Officer of the Issuer shall bind the Issuer,



notwithstanding that such Person has ceased to hold such office prior to the authentication and delivery of such Note Certificate or did not hold such office at the date of such Note Certificate.

- (c) At any time, and from time to time, after the execution and delivery of this Indenture, the Issuer may deliver Note Certificates representing Notes of any series executed by or on behalf of the Issuer to the Indenture Trustee for authentication, and the Indenture Trustee shall thereupon authenticate and deliver such Note Certificates as provided in this Indenture and not otherwise.
- (d) The Indenture Trustee shall have the right to decline to authenticate and deliver any Note Certificates under this Section if the Indenture Trustee has obtained an Opinion of Counsel reasonably acceptable to the Issuer, to the effect that the issue of the Notes represented by such Note Certificates pursuant to this Indenture will adversely affect the Indenture Trustee's own rights, duties or immunities under this Indenture.
- (e) All Note Certificates shall be dated the date of their authentication.
- (f) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on the Note Certificate representing such Note a certificate of authentication substantially in the form attached as Exhibit B hereto executed by the Indenture Trustee by manual signature of one of its authorized signatories. Such certificate upon any Note Certificate shall be conclusive evidence, and the only evidence, that such Note Certificate has been duly authenticated and delivered hereunder.

#### SECTION 2.6 REGISTRATION, TRANSFER AND EXCHANGE.

- (a) The Indenture Trustee will serve initially as registrar (in such capacity, and together with any successor registrar, the "REGISTRAR") for the Notes. In such capacity, with respect to each series of Notes, the Indenture Trustee will cause to be kept at the Corporate Trust Office of the Indenture Trustee a register (each, a "NOTE REGISTER") in which, subject to such reasonable regulations as it may prescribe, the Indenture Trustee will provide for the registration of the Notes of such series and of transfers of the Notes of such series. Each Note Register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time.
- (b) Subject to Section 2.10, upon surrender of an applicable Note Certificate for registration of transfer of any Note represented thereby, together with the form of transfer endorsed thereon duly completed and executed, at the designated office of the Registrar or of any applicable transfer agent, each as provided in an applicable Note Certificate or Supplemental Indenture,

the Issuer shall execute, and the Indenture Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Note Certificates of the same series of any authorized denomination representing an aggregate principal amount of Notes equal to the aggregate principal amount of the Notes represented by such Note Certificate surrendered for registration of transfer.

- (c) Subject to Section 2.10, at the option of the applicable Holder, any Note Certificate may be exchanged for one or more new Note Certificates, and any two or more Note Certificates may be consolidated into and exchanged for a single Note Certificate or fewer than the number of Note Certificates duly presented for exchange, in each case representing one or more Notes of the same series in an equal aggregate principal amount of the Notes equal to the aggregate principal amount of the Notes represented by the Note Certificate or Note Certificates duly presented for exchange. Each Note Certificate to be exchanged shall be surrendered at the designated office of the Registrar or of any

applicable transfer agent, each as provided in an applicable Note Certificate or Supplemental Indenture. Whenever any Note Certificate is so surrendered for exchange, the Issuer shall execute, and the Indenture Trustee shall authenticate and deliver, the Note Certificate or Note Certificates which the applicable Holder is entitled to receive, bearing numbers, letters or other designating marks not contemporaneously outstanding.

- (d) Each Note Certificate executed, authenticated and delivered upon any transfer or exchange shall be a valid obligation of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Note Certificates surrendered in connection with any such transfer or exchange. Upon surrender of an applicable Note Certificate transfer or exchange pursuant to this Section 2.6 each applicable new Note Certificate will, within three Business Days of the receipt of the applicable form of transfer or the applicable surrender, as the case may be, be delivered to the designated office of the Registrar or of any applicable transfer agent, each as provided in an applicable Note Certificate or Supplemental Indenture, or mailed at the risk of the Person entitled to such Note Certificate to such address as may be specified in the form of transfer or in written instructions of the applicable Holder upon surrender for exchange.
- (e) Every Note Certificate presented or surrendered in connection with any transfer or exchange shall (if so required by the Issuer or the Indenture Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Indenture Trustee duly executed by, the applicable Holder or his attorney duly authorized in writing.
- (f) No service charge shall be made in connection with any transfer of Notes or exchange of Note Certificates, but the Issuer may require payment of a

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sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of Notes or exchange of Notes Certificates.

- (g) Except as otherwise provided in or pursuant to this Indenture, the Issuer and the Indenture Trustee shall not be required to (i) upon presentation or surrender of a Note Certificate in connection with any transfer or exchange during a period beginning at the opening of business 15 days before the day of the selection for redemption of Notes of any applicable series under Section 3.1 and ending at the close of business on the day of such selection, exchange any Note Certificate representing any Note selected for redemption, register the transfer of any such Note, or portion thereof, except in the case of any Note to be redeemed in part, with respect to the portion of such Note not to be redeemed, or (ii) exchange any Note Certificate representing any Note the Holder or Holders of which shall have exercised the option pursuant to Section 3.2 to require the Issuer to repay any such Note prior to its Stated Maturity Date or register the transfer of any such Note except, in the case of any Note to be repaid in part, with respect to the portion of such Note not to be repaid.

#### SECTION 2.7 MUTILATED, DESTROYED, LOST OR STOLEN NOTE CERTIFICATES.

- (a) If (i) any mutilated Note Certificate is surrendered to the Indenture Trustee or the Issuer, or the Indenture Trustee and the Issuer receive evidence to their satisfaction of the destruction, loss or theft of any Note Certificate, and (ii) there is delivered to the Issuer and the Indenture Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Issuer or the Indenture Trustee that such Note Certificate has been acquired by a protected purchaser, the Issuer shall execute and upon its request the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note Certificate, a new Note Certificate representing Notes of the same series of like tenor and principal amount, bearing a number not contemporaneously outstanding.
- (b) If any Note represented by any such mutilated or apparently

destroyed, lost or stolen Note Certificate has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Note Certificate, pay the Notes represented by such Note Certificate.

- (c) Upon the execution, authentication and delivery of any new Note Certificate under this Section, the Issuer may require the Holder to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

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- (d) Every Note Certificate executed, authenticated and delivered pursuant to this Section in lieu of any apparently destroyed, lost or stolen Note Certificate shall constitute an original additional contractual obligation of the Issuer, whether or not any obligation with respect to the apparently destroyed, lost or stolen Note Certificate shall be at any time enforceable by any Person, and shall be entitled to all of the benefits of this Indenture equally and proportionately with any and all other Notes, if any, of such series duly issued, executed, authenticated and delivered hereunder.
- (e) The provisions of this Section are exclusive with respect to the replacement of any mutilated or apparently destroyed, lost or stolen Note Certificate or the payment of the Notes represented thereby and shall preclude all other rights and remedies with respect to the replacement of any mutilated or apparently destroyed, lost or stolen Note Certificate or the payment of the Notes represented thereby.

#### SECTION 2.8 INTEREST RECORD DATES.

- (a) Interest on and Additional Amounts with respect to any Note of a series which is payable, on any interest payment date specified in the Note Certificates or in any Supplemental Indenture for such series (each such date, an "INTEREST PAYMENT DATE") shall be paid to the Holder of such Note of such series at the close of business on the date specified as the regular interest record date for such series in the Note Certificates or Supplemental Indenture for such series (the "REGULAR INTEREST RECORD DATE") or, if no such date is specified, the date that is 15 calendar days preceding such Interest Payment Date.
- (b) Unless otherwise provided in the Note Certificates or in any Supplemental Indenture for a series of Notes, any interest on, and any Additional Amounts with respect to, any Note of such series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date specified in the applicable Note Certificates or Supplemental Indenture or indentures (the "DEFAULTED INTEREST") shall forthwith cease to be payable to the Holder of such Note of such series on the relevant Regular Interest Record Date by virtue of having been such Holder, and such Defaulted Interest shall be paid by the Issuer to the Holder of such Note of such series at the close of business on a special record date (the "SPECIAL INTEREST RECORD DATE") established by the Issuer by notice to each applicable Holder and the Indenture Trustee in accordance with Section 14.4, which Special Interest Record Date shall be not more than 15 nor less than 10 days prior to the date of the proposed payment of Defaulted Interest and not less than 10 days after the receipt by the Indenture Trustee of the notice of the proposed payment of Defaulted Interest.

SECTION 2.9 CANCELLATION. Each Note Certificate surrendered for exchange or in connection with any payment, redemption, transfer of any Note represented thereby shall be

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delivered to the Indenture Trustee and, if not already cancelled, shall be promptly cancelled by it. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Note Certificate previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and each Note Certificate so delivered shall be promptly cancelled by the Indenture Trustee. No Note Certificates shall be authenticated in lieu of or in exchange for any Note Certificate cancelled as provided in this Section, except

as expressly permitted by this Indenture. The Indenture Trustee shall destroy all cancelled Note Certificates held by it and deliver a certificate of destruction to the Issuer. If the Issuer shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until each Note Certificate representing such Notes is delivered to the Indenture Trustee for cancellation.

#### SECTION 2.10 GLOBAL SECURITIES.

- (a) Unless (i) permitted by applicable law and (ii) an Exchange Event shall have occurred and be continuing with respect to a series of Book-Entry Notes represented by one or more Global Securities, no Book-Entry Note represented by any such Global Security shall be exchangeable for Certificated Notes.
- (b) For purposes of this Indenture, with respect to the Notes of a series, the term "EXCHANGE EVENT" means any of the following:
  - (i) the Depository with which any Global Security evidencing the Notes of such series is deposited shall have notified the Issuer that it is unwilling or unable to continue as the Depository for any applicable Global Security or the Issuer becomes aware that the Depository has ceased to be a clearing agency registered under the Exchange Act and, in any such case, the issuer fails to appoint a successor to the Depository within 60 calendar days;
  - (ii) the Issuer, in its sole discretion, determines that the Notes of such series should no longer be represented solely by one or more Global Securities; or
  - (iii) an Event of Default shall have occurred and the maturity of the Notes of such series shall have been accelerated in accordance with the terms of the Indenture and the Notes of such series.
- (c) If any Exchange Event shall have occurred and be continuing, then:
  - (i) with respect to each Global Security deposited with, and registered in the name of, the applicable Depository or its nominee, the Issuer shall promptly, and in any event not later than 10 Business Days after the occurrence of such Exchange Event, cause to be executed, authenticated and delivered to the applicable Depository or its nominee, against surrender by the applicable Depository or its nominee of such Global Security, which shall thereupon be

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cancelled by the Indenture Trustee, Definitive Security or Definitive Securities each representing such number of Notes of such series as may be specified by the applicable Depository in an aggregate principal amount equal to the principal amount of Notes of the same series that shall have been represented by such Global Security and shall register the Certificated Notes represented by such Definitive Security or Definitive Securities in the name of the applicable Depository or its nominee;

- (ii) notwithstanding any other provision of the Notes or this Indenture, each applicable Depository may deliver to the applicable Entitlement Holders or in accordance with their instructions to any other Person any Definitive Security or Definitive Securities received from the Issuer pursuant to Section 2.10(c)(i) hereof, and the Registrar shall register the Certificated Notes represented by such Definitive Security or Definitive Securities so delivered in such names as the applicable Depository shall specify to the Indenture Trustee; and
- (iii) if any Certificated Note is issued in exchange for any portion of or all Book-Entry Notes represented by a Global Security after the close of business at the office or agency for such Note where such exchange occurs on (A) any Regular Interest Record Date for such Notes and before the opening of business at such office or agency on the next Interest Payment Date, or (B) any Special Interest Record Date for such Notes and before the opening of business at such office or agency on the related proposed date for

payment of interest, any Additional Amounts or Defaulted Interest, as the case may be, interest, Additional Amounts or Defaulted Interest, as the case may be, shall not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Certificated Notes, but shall be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the Person to whom interest and any Additional Amounts or Defaulted Interest, as applicable, in respect of such portion of or all Book-Entry Notes, as the case may be, represented by such Global Security shall be payable in accordance with the provisions of this Indenture.

- (d) The Certificated Notes issued in exchange for any Book-Entry Notes represented by a Global Security shall be of like tenor and of an equal aggregate principal amount, in authorized denominations. Such Certificated Notes shall be registered in the name or names of such person or persons as the applicable Depository shall instruct the Registrar.

SECTION 2.11 WITHHOLDING TAX. All payments under the Notes will be made without deduction or withholding for any present or future taxes, duties, assessments or

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governmental charges of any nature, unless such withholding or deduction is required by law, regulation or official interpretation. Unless otherwise provided in the applicable Note Certificate or Supplemental Indenture, the Issuer will not pay any Additional Amounts to Holders of Notes of a series in the event that any withholding or deduction is so required by law, regulation or official interpretation thereof, and the imposition of a requirement to make any such withholding or deduction will not give rise to any independent right or obligation to redeem the Notes of such series.

#### SECTION 2.12 TAX TREATMENT.

- (a) The parties hereto hereby agree, and each Holder and beneficial owner of Notes of each series by its purchase of Notes is deemed to agree, that for United States Federal, state and local income and franchise tax purposes:
  - (i) each Note be treated as indebtedness of the Funding Agreement Provider; and
  - (ii) the Issuer and any series of the Issuer be ignored.
- (b) The parties hereto hereby agree, and each Holder and beneficial owner of Notes of each series by its purchase of Notes is deemed to agree, to not take any action inconsistent with the treatment described in Section 2.12(a) (including, without limitation, under United States Treasury Regulations Sections 301.7701-2, or 301-7701-3, the "check-the-box regulations") unless otherwise required by applicable law.

### ARTICLE 3

#### REDEMPTION, REPAYMENT AND REPURCHASE OF NOTES; SINKING FUNDS

##### SECTION 3.1 REDEMPTION OF NOTES.

- (a) Redemption of Notes of any series Issuer as permitted or required by this Indenture and each applicable Note Certificate or Supplemental Indenture will be made in accordance with the terms of such Notes and (except as otherwise provided herein or pursuant hereto) this Section.
- (b) If any Initial Redemption Date is specified in an applicable Note Certificate or Supplemental Indenture, the Issuer may redeem Notes of the particular series prior to the Stated Maturity Date at its option, on, or on any Business Day after, the Initial Redemption Date in whole or from time to time in part in increments \$1,000 or any other integral multiple of an authorized denomination of such Notes specified at the applicable Redemption Price together with any unpaid interest accrued thereon, any Additional Amounts and other amounts payable with respect thereto, as of the Redemption Date.
- (c) If (i) the Issuer is required at any time to pay Additional Amounts or if the Issuer is obligated to withhold or deduct any

respect to any payment under the Notes, as set forth in each applicable Note Certificate or Supplemental Indenture, or if there is a material probability that the Issuer will become obligated to withhold or deduct any such United States taxes or otherwise pay Additional Amounts (in the opinion of independent legal counsel selected by the Funding Agreement Provider), in each case pursuant to any change in or amendment to any United States tax laws (or any regulations or rulings thereunder) or any change in position of the Internal Revenue Service regarding the application or interpretation thereof (including, but not limited to, the Funding Agreement Provider or the Issuer's receipt of a written adjustment from the Internal Revenue Service in connection with an audit) (a "Tax Event"), and (ii) the Funding Agreement Provider, pursuant to the terms of the relevant Funding Agreement, has delivered to the Owner notice that the Funding Agreement Provider intends to terminate the relevant Funding Agreement pursuant to Section 12(b) of such Funding Agreement, then the Issuer will redeem the particular series of Notes on the Redemption Date at the Redemption Price together with any unpaid interest accrued thereon, any Additional Amounts and other amounts payable with respect thereto, as of the Redemption Date.

- (d) Unless a shorter notice shall be satisfactory to the Indenture Trustee, Issuer shall provide to the Indenture Trustee a notice of redemption of any Notes (i) in case of any redemption at the election of the Issuer, not more than 60 days nor less than 30 days prior to the Redemption Date and (ii) in case of any mandatory redemption pursuant to Section 3.1(c), at least 75 days prior to the Redemption Date. In case of any redemption at the election of the Issuer of less than all of the Notes of any series such notice shall specify the aggregate principal amount of the Notes of such series to be redeemed.
- (e) If less than all of the Notes of any series are to be redeemed at the option of the Issuer, the particular Notes to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Indenture Trustee from the Outstanding Notes of such series not previously called for redemption, by such method as the Indenture Trustee shall deem fair and appropriate, acting in accordance with its obligations under this Indenture, and which may provide for the selection for redemption of portions of the principal amount of Notes of such series; PROVIDED, HOWEVER, that no such partial redemption shall reduce the portion of the principal amount of a Note of such series not redeemed to less than the minimum denomination for a Note of such series established in or pursuant to this Indenture. The Indenture Trustee shall promptly notify the Issuer and the Registrar (if other than itself) in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption and the aggregate principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Notes shall relate, in the case of any Notes redeemed or

to be redeemed only in part, to the portion of the principal of such Notes which has been or is to be redeemed.

- (f) Unless otherwise specified herein, in each applicable Note Certificate or in a Supplemental Indenture, the Issuer shall give a notice of redemption to each Holder of the Notes to be redeemed at the Issuer's option (i) in case of any redemption at the election of the Issuer, not more than 60 nor less than 30 days prior to the Redemption Date and (ii) in case of any mandatory redemption pursuant to Section 3.1(c), not more than 75 days nor less than 30 days prior to the Redemption Date; provided, in the case of any notice of redemption given pursuant to claim (ii), that no such notice of redemption may be given earlier than 90 days prior to the earliest day on which the Issuer would become obligated to pay the applicable Additional Amounts were a payment in respect of Notes then due. Failure to give such notice to the Holder of any Note designated for redemption in whole or in part, or any defect in the notice to any such Holder, shall not affect the validity of the proceedings for the redemption of any other

Any notice that is mailed to the Holder of any Notes in the manner herein provided shall be conclusively presumed to have been duly given, whether or not such Holder receives the notice.

All notices of redemption shall state:

- (i) the Redemption Date,
  - (ii) the Redemption Price,
  - (iii) in case of any redemption at the election of the Issuer, if less than all Outstanding Notes of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amount) of the particular Note or Notes to be redeemed,
  - (iv) in case any Note is to be redeemed in part only at the election of the Issuer, the notice which relates to such Note shall state that on and after the Redemption Date, upon surrender of the Note Certificate representing such Note, the Holder of such Note will receive, without charge, a new Note Certificate representing an authorized denomination of the principal amount of such Note remaining unredeemed,
  - (v) that, on the Redemption Date, the Redemption Price shall become due and payable upon each such Note or portion thereof to be redeemed, and, if applicable, that interest thereon shall cease to accrue on and after the Redemption Date,
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- (vi) the place or places where each applicable Note Certificate representing such Note or Notes is to be surrendered for payment of the Redemption Price together with any unpaid interest accrued thereon through the Redemption Date and any Additional Amounts payable with respect thereto,
  - (vii) if applicable, in case of any redemption at the election of the Issuer, that the redemption is for a sinking fund, and
  - (viii) the CUSIP number or any other numbers used to identify such Notes.
- (g) On or prior to any Redemption Date, the Issuer shall deposit, with respect to any Notes of a series called for redemption pursuant to this Section, with the Paying Agent an amount of money in the Specified Currency sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date, unless otherwise specified each applicable Note Certificate or Supplemental Indenture) any unpaid interest accrued through the Redemption Date on, and any Additional Amounts payable with respect to, all such Notes or portions thereof which are to be redeemed on the Redemption Date.
  - (h) The Notes to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price together with any unpaid interest accrued through the Redemption Date on, and any Additional Amounts payable with respect to, such Notes, and from and after such date (unless the Company shall default in the payment of the Redemption Price and any unpaid interest accrued on such Notes through the Redemption Date) such Notes shall cease to bear interest. Upon surrender of any Note Certificate for redemption of any Note or Notes represented thereby in accordance with the applicable notice of redemption, such Note shall be paid by the Issuer at the Redemption Price, together with any unpaid interest accrued thereon through the Redemption Date and any Additional Amounts payable with respect thereto; PROVIDED, HOWEVER, that, except as otherwise provided in or pursuant to this Indenture, each applicable Note Certificate or Supplemental Indenture, installments of interest on Notes, the Stated Maturity of which is on or prior to the Redemption Date, shall be payable to the Holders of such Notes, or one or more predecessor Notes, registered as such at the close of business on the Regular Interest Record Dates therefor according to their terms and the provisions of Section 3.1(b).

- (i) If any Note called for redemption shall not be so paid upon surrender of the applicable Note Certificate for redemption, the principal and any premium, until paid, shall bear interest from the Redemption Date at the rate specified in each applicable Note Certificate or Supplemental Indenture.

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- (j) If applicable, the Issuer will comply with the requirements of Section 14(e) of the Exchange Act, and the rules promulgated thereunder, and any other securities laws or regulations in connection with any redemption or any repayment pursuant to Section 3.2 hereof of Notes at the option of the Holder or Holders thereof.

Upon surrender of any Note Certificate for partial redemption of any Note or Notes represented thereby in accordance with this Section, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver one or more new Note Certificates of the same series of any authorized denomination representing an aggregate principal amount equal to the unredeemed portion of the applicable Note or Notes.

#### SECTION 3.2 REPAYMENT AT THE OPTION OF THE HOLDER.

- (a) If so specified in an applicable Note Certificate or Supplemental Indenture, the Holder or Holders of the Notes of a series may require the Issuer to repay the Notes of such series prior to their Stated Maturity Date in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified in the applicable Note Certificate or Supplemental Indenture (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto).
- (b) Notes of any series which are repayable at the option of the Holder or Holders thereof before their Stated Maturity Date shall be repaid in accordance with the terms of the Notes of such series.
- (c) The repayment of any principal amount of Notes pursuant to any option of the applicable Holder or Holders to require repayment of any Notes before their Stated Maturity Date shall not operate as a payment, redemption or satisfaction of the indebtedness represented by such Notes unless and until Issuer, at its option, shall deliver or surrender the same to the Indenture Trustee with a directive that such Notes be cancelled.
- (d) Notwithstanding anything to the contrary contained in this Section, in connection with any repayment of Notes, the Issuer may arrange for the purchase of any Notes by an agreement with one or more investment bankers or other purchasers to purchase such Notes by paying the Holder or Holders of such Notes on or before the close of business on the Repayment Date an amount not less than the Repayment Price payable by the Issuer on repayment of such Notes, and the obligation of the Issuer to pay the Repayment Price of such Notes shall be satisfied and discharged to the extent such payment is so paid by such purchasers.
- (e) Any exercise of the repayment option will be irrevocable.

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#### SECTION 3.3 REPURCHASE OF NOTES.

The Issuer may at any time purchase Notes at any price or prices in the open market or otherwise. Notes by the Issuer may, at the Issuer's discretion, be held by the Issuer, resold or surrendered to the Indenture Trustee for cancellation pursuant to Section 2.9.

#### SECTION 3.4 SINKING FUNDS.

Unless otherwise provided in each applicable Note Certificate or Supplemental Indenture no series of Notes will be subject to, or entitled to the benefit of, any sinking fund.

#### ARTICLE 4

#### PAYMENTS; PAYING AGENTS AND CALCULATION AGENT; COVENANTS



- (a) The Issuer will for the benefit of each series of Notes duly and punctually pay or cause to be paid the principal of, any premium and interest on, and any Additional Amounts with respect to, each of the Notes of such series in accordance with the terms of the Notes of such series and this Indenture.
- (b) Upon the receipt of the funds necessary therefor, the applicable Paying Agent shall duly and punctually make payments, payable on the Maturity Date, of principal in respect of, any premium and interest on, and any Additional Amounts payable with respect to, any Certificated Notes in immediately available funds against presentation and surrender of the applicable Definitive Security (and in the case of any repayment of a Note pursuant to Section 3.2, upon submission of a duly completed election form at an office or agency of such Paying Agent maintained for such purpose pursuant to Section 4.2). Upon the receipt of the funds necessary therefor, the applicable Paying Agent shall duly and punctually make payments, payable on the Maturity Date, of principal of, any premium and interest on, and any Additional Amounts with respect to, a Certificated Note to the Person to whom payment of the principal thereof shall be made. The applicable Paying Agent (unless such Paying Agent is the Indenture Trustee) shall promptly forward each Definitive Security surrendered to it in connection with any payment pursuant to this Section for cancellation in accordance with Section 2.9. Upon the receipt of the funds necessary therefor, the applicable Paying Agent shall duly and punctually make payments of principal of, any premium and interest on, and any Additional Amounts in respect of, Certificated Notes payable on any date other than the Maturity Date by check mailed to the Holder (or to the first named of joint Holders) of such Certificated Note at the close of business on the applicable Regular Interest Record Date or Special Interest Record Date, as the case may be, at its address appearing in the applicable Note Register. Notwithstanding the foregoing, the applicable Paying

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Agent shall make payments of principal, any interest, any premium, and any Additional Amounts on any date other than the Maturity Date to each Holder (or to the first named of joint Holders) at the close of business on the applicable Regular Interest Record Date or Special Interest Record Date, as the case may be, of \$10,000,000 (or, if the Specified Currency is other than United States dollars, the equivalent thereof in the particular Specified Currency) or more in aggregate principal amount of Certificated Notes (whether having identical or different terms and provisions) by wire transfer of immediately available funds if the applicable Holder has delivered appropriate wire transfer instructions in writing to the applicable Paying Agent not less than 15 days prior to the date on which the applicable payment of principal, interest, premium or Additional Amounts is scheduled to be made. Any wire transfer instructions received by the applicable Paying Agent shall remain in effect until revoked by the applicable Holder.

- (c) Upon receipt of the funds necessary therefor, on the Maturity Date the applicable Paying Agent shall (in the absence of any other arrangements between the applicable Paying Agent and the applicable Holder) duly and punctually make payments, payable on the Maturity Date, of principal in respect of, any premium and interest payable on, and any Additional Amounts with respect to, any Book-Entry Notes to the Holder of such Book-Entry Notes at the close of business on the applicable Maturity Date by wire transfer of immediately available funds in accordance with the wire transfer instructions received from the applicable Holder against presentation and surrender of each Global Security representing such Book-Entry Notes. The applicable Paying Agent (unless such Paying Agent is the Indenture Trustee) shall promptly forward to the Indenture Trustee each Global Security surrendered to it in connection with any payment pursuant to this section for cancellation in accordance with Section 2.9. Provided it has received the funds necessary therefor in accord with Section 4.5(b), the applicable Paying Agent shall duly and punctually make payments of principal of, any premium and interest on, and any Additional Amounts in respect of, any Book-Entry Notes payable on any date other than the Maturity Date to the Holder of such Book-Entry Notes by 11:00 a.m. (New York

City time) on the applicable Regular Interest Record Date or Special Interest Record Date, as the case may be, by wire transfer of immediately available funds in accordance with the wire transfer instructions received from the applicable Holder. Any wire transfer instruction received by the applicable Paying Agent shall remain in effect until revoked by the applicable Holder.

- (d) Unless otherwise specified in the applicable Note Certificate or Supplemental Indenture, the Issuer shall be obligated to make, or cause to be made, payments of principal of, any premium and interest on, and any Additional Amounts with respect to, a Foreign Currency Note in the Specified Currency. Any amounts so payable by the Issuer in the

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Specified Currency will be converted by the exchange rate agent named in the applicable Note Certificate or Supplemental Indenture (the "EXCHANGE RATE AGENT") into United States dollars for payment to the Holder or Holders thereof unless otherwise specified in the applicable Note Certificate or Supplemental Indenture or a Holder elects to receive such amounts in the Specified Currency as provided below.

- (e) Any United States dollar amount to be received by the Holder or Holders of a series of Foreign Currency Notes will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 a.m. (New York City time) on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Issuer for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on that payment date in the aggregate amount of the Specified Currency payable to all Holder or Holders of such series of Foreign Currency Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the relevant Holder or Holders of such series of Foreign Currency Notes by deductions from any payments. If three bid quotations are not available, payments will be made in the Specified Currency.
- (f) Holders of Foreign Currency Notes may elect to receive all or a specified portion of any payment of principal and/or any interest, premium and Additional Amounts in the Specified Currency by submitting a written request to the Indenture Trustee at its Corporate Trust Office in The City of New York on or prior to the applicable Regular Interest Record Date or Special Interest Record Date or at least fifteen calendar days prior to the Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. Such election will remain in effect until revoked by written notice delivered to the Indenture Trustee on or prior to the applicable Regular Interest Record Date or Special Interest Record Date or at least fifteen calendar days prior to the Maturity Date, as the case may be.
- (g) Unless otherwise specified in an applicable Note Certificate or Supplemental Indenture, an Entitlement Holder with respect to a Foreign Currency Note represented by a Global Security which elects to receive payments of principal, and/or any interest, premium and Additional Amounts in the Specified Currency must notify, or cause the notification of the applicable Depository of its election on or prior to the third Business Day after the applicable Regular Interest Record Date or Special Interest Record Date, or at least twelve calendar days prior to the Maturity Date, as the case may be, and the Depository will notify the Indenture Trustee of that election on or prior to the fifth Business Day after the applicable

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Regular Interest Record Date or Special Interest Record Date, or at least 10 calendar days prior to the Maturity Date, as the case may be. If complete instructions are received by the Depository and by the Indenture Trustee, on or prior to such dates, then the applicable beneficial owner will receive payments in the

Specified Currency.

- (h) If the Specified Currency for Foreign Currency Notes is not available for any required payment of principal and/or any interest, premium and Additional Amounts due to the imposition of exchange controls or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations with respect to such Foreign Currency Notes by making payments in United States dollars on the basis of the Market Exchange Rate, computed by the Exchange Rate Agent as described above, on the second Business Day prior to the particular payment or, if the Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate.
- (i) All determinations made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the Holder or Holders of Foreign Currency Notes and any applicable Entitlement Holders.

SECTION 4.2 OFFICES FOR PAYMENTS, ETC. So long as any of the Notes of any series remain Outstanding, the Issuer will maintain in New York and in any other city that may be required by any stock exchange on which the Notes of such series may be listed, and in any city specified in the Note Certificate or Supplemental Indenture for such series of Notes the following: (i) an office or agency where the Notes of such series may be presented for payment, (ii) an office or agency where the Notes of such series may be presented for registration of transfer and for exchange as provided in this Indenture and (iii) an office or agency where notices and demands to or upon the Issuer in respect of the Notes of such series or of this Indenture may be served. The Issuer will give to the Indenture Trustee written notice of the location of any such office or agency and of any change of location thereof. The Issuer hereby initially designates the Corporate Trust Office of the Indenture Trustee as the office or agency for each such purpose. In case the Issuer shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

SECTION 4.3 PAYMENT DATE NOT A BUSINESS DAY. Unless otherwise specified in a Note Certificate or Supplemental Indenture for any series of Notes, if the date on which any principal, interest, premium, Additional Amounts or other payment obligation is due falls on a day that is not a Business Day, the Issuer will have until the next succeeding Business Day to satisfy its payment obligation and any such payment shall be given the same force and effect as if made on the date on which such principal, interest, premium, Additional Amounts or other payment obligation was due and no additional interest shall accrue as a result of payment on such succeeding Business Day.

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SECTION 4.4 APPOINTMENT TO FILL A VACANCY IN OFFICE OF INDENTURE TRUSTEE. The Issuer, whenever necessary to avoid or fill a vacancy in the office of Indenture Trustee, will appoint, in the manner provided in Section 6.8, a trustee, so that there shall at all times be a trustee hereunder.

SECTION 4.5 PAYING AGENTS.

- (a) The Issuer hereby appoints the Indenture Trustee as Paying Agent with respect to each series of Notes and the Indenture Trustee hereby accepts such appointment. The Indenture Trustee, in its capacity as Paying Agent, hereby agrees, and, whenever the Issuer shall appoint a Paying Agent other than the Indenture Trustee with respect to the Notes of any series, the Issuer will cause such Paying Agent to execute and deliver to the Issuer and the Indenture Trustee an instrument in which such Paying Agent shall agree with the Issuer and the Indenture Trustee, subject to the provisions of this Section, that it will:
  - (i) hold all sums received by it as such agent for the payment of the principal of, any premium or interest on, or any Additional Amounts with respect to, the Notes of such series (whether such sums have been paid to it by the Funding Agreement Provider, Issuer or by any other obligor on the Notes of such series) == in trust for the benefit of each Holder of the Notes of such series and will (and will cause each of its agents and Affiliates to) deposit all cash amounts received by it (or such agents or Affiliates, as applicable) that are derived from the applicable Collateral for any series of Notes for the benefit of the Holders of such series of Notes in a

segregated account maintained or controlled by the Indenture Trustee, consistent with the rating of the Outstanding Notes of such series;

- (ii) give the Indenture Trustee notice of any failure by the Issuer (or by any other obligor on the Notes of such series) to make any payment of the principal of, any premium and interest on, or any Additional Amounts with respect to, the Notes of such series when the same shall be due and payable;
- (iii) pay any such sums so held in trust by it to the Indenture Trustee upon the Indenture Trustee's written request at any time during the continuance of the failure referred to in clause (ii) above;
- (iv) in the absence of the failure referred in clause (ii) above, pay any such sums so held in trust by it in accordance with this Indenture and the terms of the applicable Notes; and
- (v) comply with all agreements of Paying Agents in, and perform all functions and obligations imposed on Paying Agents by or

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pursuant to, this Indenture and each applicable Note Certificate or Supplemental Indenture.

- (b) The Issuer will, at or prior to 9:30 a.m. (New York City time) each due date of the principal of, any premium and interest on, or any Additional Amounts with respect to, the Notes of such series, deposit or cause to be deposited with the applicable Paying Agent a sum sufficient to pay such principal, any interest or premium, and any Additional Amounts, and (unless such Paying Agent is the Indenture Trustee) the Issuer will promptly notify the Indenture Trustee of any failure to take such action.
- (c) If the Issuer shall act as its own Paying Agent, it will, on or before each due date of the principal of, any premium and interest on, or any Additional Amounts with respect to, the Notes of such series, set aside, segregate and hold in trust for the benefit of each Holder of the Notes of such series a sum sufficient to pay such principal, interest, premium or Additional Amounts so becoming due and will deposit all such cash amounts in a segregated account maintained or controlled by the Indenture Trustee, consistent with the rating of the Outstanding Notes of such series. The Issuer will promptly notify the Indenture Trustee of any failure to take such action.
- (d) Anything in this Section to the contrary notwithstanding, the Issuer may at any time, for the purpose of obtaining a satisfaction and discharge of one or more or all series of Notes hereunder or for any other reason, pay or cause to be paid to the Indenture Trustee all sums held in trust for any such series by the Issuer or any Paying Agent hereunder, as required by this Section, such sums to be held by the Indenture Trustee upon the trusts contained herein; PROVIDED, HOWEVER, in order to obtain such satisfaction or discharge of such series of Notes, that such sums paid to the Indenture Trustee must be at least equal in amounts due and owing on such series of Notes.
- (e) Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section are subject to the provisions of Sections 11.3 and 11.4.
- (f) The applicable Paying Agent shall (i) collect all forms from Holders of Notes (or from such other Persons as are relevant) that are required to exempt payments under the Notes and/or the related Funding Agreements from United States Federal income tax withholding, (ii) withhold and pay over to the Internal Revenue Service or other taxing authority with respect to payments under the Notes any amount of taxes required to be withheld by any United States Federal, state or local statute, rule or regulation and (iii) forward copies of such forms to the Issuer and the Funding Agreement Provider.

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- (g) Each Paying Agent shall forward to the Issuer at least monthly a bank statement in its possession with respect to the performance of its functions and obligations with respect to any Notes.
- (h) The Issuer shall pay the compensation of each Paying Agent at such rates as shall be agreed upon in writing by the Issuer and the relevant Paying Agent from time to time and shall reimburse each Paying Agent for reasonable expenses properly incurred by such Paying Agent in connection with the performance of its duties upon receipt of such invoices as the Issuer shall reasonably require.
- (i) Subject as provided below, each Paying Agent may at any time resign as Paying Agent by giving not less than 60 days' written notice to the Issuer and the Indenture Trustee (unless the Indenture Trustee is such Paying Agent) of such intention on its part, specifying the date on which its resignation shall become effective. Except as provided below, the Issuer may remove a Paying Agent by giving not less than 20 days' written notice specifying such removal and the date when it shall become effective. Any such resignation or removal shall take effect upon:
  - (i) the appointment by the Issuer as hereinafter provided of a successor Paying Agent; and
  - (ii) the acceptance of such appointment by such successor Paying Agent,

PROVIDED that with respect to any Paying Agent who fails duly to pay any amounts when due and payable with respect to any Notes, any such removal will take effect immediately upon such appointment of, and acceptance thereof by, a successor Paying Agent approved by the Indenture Trustee (unless the Indenture Trustee is such Paying Agent), in which event notice of such appointment shall be given to each Holder of the Notes as soon as practicable thereafter. The Issuer agrees with each Paying Agent that if, by the day falling 10 days before the expiration of any notice given pursuant to this Section 4.5(i), the Issuer has not appointed a replacement Paying Agent, then the Paying Agent shall be entitled, on behalf of the Issuer, to appoint in its place a reputable financial institution of good standing reasonably acceptable to the Issuer and the Indenture Trustee (unless the Indenture Trustee is such Paying Agent); PROVIDED, however, that notwithstanding the foregoing, the resignation or removal of the relevant Paying Agent shall not be effective unless, upon the expiration of the notice given pursuant to this Section 4.5(i), the successor Paying Agent shall have accepted its appointment. Upon its resignation or removal becoming effective, the retiring Paying Agent shall be entitled to the payment of its compensation and reimbursement of all expenses incurred by such retiring Paying Agent pursuant to Section 4.5(h) hereof up to the effective date of such resignation or removal.

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- (j) If at any time a Paying Agent shall resign or be removed, or shall become incapable of acting with respect to any applicable series of Notes, or shall be adjudged as bankrupt or insolvent, or a receiver or liquidator of such Paying Agent or of its property shall be appointed, or any public officer shall take charge or control of such Paying Agent or its property or affairs for the purpose of rehabilitation, conservation or liquidation, then a successor Paying Agent shall be appointed by the Issuer by an instrument in writing filed with the successor Paying Agent. Upon any such appointment of, and the acceptance of such appointment by, a successor Paying Agent and (except in cases of removal for failure to timely pay any amounts as required by or pursuant to this Indenture or an applicable Note Certificate or Supplemental Indenture) the giving of notice to each Holder of the Notes, the retiring Paying Agent shall cease to be Paying Agent hereunder.
- (k) Any successor Paying Agent appointed hereunder shall execute and deliver to its predecessor, the Issuer and the Indenture Trustee (unless the Indenture Trustee is such Paying Agent) a reasonably acceptable instrument accepting such appointment hereunder, and thereupon such successor Paying Agent, without any further act, deed or conveyance, shall become vested with all the authority,

rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as a Paying Agent hereunder, and such predecessor, upon payment of any amounts due pursuant to Section 4.5(h) and unpaid, shall thereupon become obliged to transfer and deliver, and such successor Paying Agent shall be entitled to receive, copies of any relevant records maintained by such predecessor Paying Agent.

- (1) Any corporation into which a Paying Agent may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which such Paying Agent shall be a party, or any corporation succeeding to all or substantially all of the paying agency business of such Paying Agent shall be a successor Paying Agent under this Indenture without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to contrary notwithstanding. At least 30 days' prior notice of any such merger, conversion or consolidation shall be given to the Issuer and the Indenture Trustee (unless the Indenture Trustee is such Paying Agent).

#### SECTION 4.6 CALCULATION AGENT.

- (a) The Issuer hereby appoints the Indenture Trustee as Calculation Agent with respect to each series of Notes, and the Indenture Trustee hereby accepts such appointment.
- (b) The relevant Calculation Agent shall, in relation to any relevant Notes, perform all functions and obligations imposed on such Calculation Agent

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by or pursuant to this Indenture, and each applicable Note Certificate or Supplemental Indenture.

- (c) Each Calculation Agent, excluding the Indenture Trustee, shall forward to the Issuer at least monthly a report providing details with respect to the performance of its functions and obligations with respect to any Notes which shall include dates and amounts of forthcoming payments with respect to the Notes.
- (d) The relevant Calculation Agent shall, upon the request of any relevant Holder of the relevant Notes, provide the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next succeeding Interest Reset Date with respect to the particular series of Notes. (e) All determinations of interest by the Calculation Agent shall, in the absence of manifest errors, be conclusive for all purposes and binding on the Holders of the applicable Notes.
- (f) The Issuer shall pay the compensation of each Calculation Agent at such rates as shall be agreed upon in writing by the Issuer and the relevant Calculation Agent from time to time and shall reimburse each Calculation Agent for reasonable expenses properly incurred by such Calculation Agent in connection with the performance of its duties upon receipt of such invoices as the Issuer shall reasonably require.
- (g) Subject as provided below, each Calculation Agent may at any time resign as Calculation Agent by giving not less than 60 days' written notice to the Issuer and the Indenture Trustee (unless the Indenture Trustee is such Calculation Agent) of such intention on its part, specifying the date on which its resignation shall become effective. Except as provided below, the Issuer may remove a Calculation Agent by giving not less than 20 days' written notice specifying such removal and the date when it shall become effective. Any such resignation or removal shall take effect upon:
  - (i) the appointment by the Issuer as hereinafter provided of a successor Calculation Agent; and
  - (ii) the acceptance of such appointment by such successor Calculation Agent,

PROVIDED that with respect to any Calculation Agent who fails duly to establish the interest rate or amount for any Interest Reset Period, any such removal will take effect immediately upon

such appointment of, and acceptance thereof by, a successor Calculation Agent approved by the Indenture Trustee (unless the Indenture Trustee is such Calculation Agent), in which event notice of such appointment shall be given to each Holder of the Notes as soon as practicable thereafter. The Issuer agrees

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with each Calculation Agent that if, by the day falling 10 days before the expiration of any notice given pursuant to this Section 4.6(g), the Issuer has not appointed a replacement Calculation Agent, then the Calculation Agent shall be entitled, on behalf of the Issuer, to appoint in its place a reputable financial institution of good standing reasonably acceptable to the Issuer and the Indenture Trustee (unless the Indenture Trustee is such Calculation Agent); PROVIDED, however, that notwithstanding the foregoing, the resignation or removal of the relevant Calculation Agent shall not be effective unless, upon the expiration of the notice given pursuant to this Section 4.6(g), the successor Calculation Agent shall have accepted its appointment. Upon its resignation or removal becoming effective, the retiring Calculation Agent shall be entitled to the payment of its compensation and reimbursement of all expenses incurred by such retiring Calculation Agent pursuant to Section 4.6(f) hereof up to the effective date of such resignation or removal.

- (h) If at any time a Calculation Agent shall resign or be removed, or shall become incapable of acting with respect to any applicable series of Notes, or shall be adjudged as bankrupt or insolvent, or a receiver or liquidator of such Calculation Agent or of its property shall be appointed, or any public officer shall take charge or control of such Calculation Agent or its property or affairs for the purpose of rehabilitation, conservation or liquidation, then a successor Calculation Agent shall be appointed by the Issuer by an instrument in writing filed with the successor Calculation Agent. Upon any such appointment of, and the acceptance of such appointment by, a successor Calculation Agent and (except in cases of removal for failure to establish the amount of interest) the giving of notice to each Holder of the Notes, the retiring Calculation Agent shall cease to be Calculation Agent hereunder.
- (i) Any successor Calculation Agent appointed hereunder shall execute and deliver to its predecessor, the Issuer and the Indenture Trustee (unless the Indenture Trustee is such Calculation Agent) a reasonably acceptable instrument, accepting such appointment hereunder, and thereupon such successor Calculation Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as a Calculation Agent hereunder, and such predecessor, upon payment of any amounts due pursuant to Section 4.6(f) and unpaid, shall thereupon become obliged to transfer and deliver, and such successor Calculation Agent shall be entitled to receive, copies of any relevant records maintained by such predecessor Calculation Agent.
- (j) Any corporation into which a Calculation Agent may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which such Calculation Agent shall be a party, or a corporation succeeding to all or

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substantially all of the paying agency business of such Calculation Agent shall be a successor Calculation Agent under this Indenture without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. At least 30 days' prior notice of any such merger, conversion or consolidation shall be given to the Issuer and the Indenture Trustee (unless the Indenture Trustee is such Calculation Agent).

SECTION 4.7 CERTIFICATE TO INDENTURE TRUSTEE. The Issuer will furnish to the Indenture Trustee on or before - in each year (beginning with -) a brief certificate (which need not comply with Section 13.5) as to its knowledge of the Issuer's compliance with all conditions and covenants under the Indenture (such compliance to be determined without regard to any period of

grace or requirement of notice provided under the Indenture).

SECTION 4.8 NEGATIVE COVENANTS. So long as any Notes of any series are Outstanding, the Issuer will not, except as otherwise expressly permitted hereunder or under the Trust Agreement:

- (i) sell, transfer, exchange, assign, lease, convey or otherwise dispose of any of its assets (whenever acquired), including, without limitation, any portion of the Collateral securing its Obligations under the Notes of any series and this Indenture;
- (ii) engage in any business or activity other than in connection with, or relating to the execution and delivery of, and the performance of its obligations under, the Trust Agreement, the Indenture, the Administrative Services Agreement, the Distribution Agreement, the Support and Expenses Agreement and each Funding Agreement; the issuance and sale of any Notes pursuant to the Indenture; holding the Deposit for the benefit of the Trust Beneficial Owner; and the transactions contemplated by, and the activities necessary or incidental to, any of the foregoing;
- (iii) incur, directly or indirectly, any Debt except for the Notes or as otherwise contemplated hereunder or under the Trust Agreement;
- (iv) (A) permit the validity or effectiveness of this Indenture or the Security Interest securing the Notes of any series to be impaired, or permit such Security Interest to be amended, hypothecated, subordinated, terminated or discharged, (B) permit any Person to be released from any covenants or obligations under any Funding Agreement securing the Notes of any series, except as expressly permitted thereunder, under the Indenture, the Trust Agreement, or each applicable Funding Agreement, (C) create, incur, assume, or permit any Lien or other encumbrance (other than the Security Interests securing the Notes of each series) on any of its properties or assets now owned or hereafter acquired, or any interest therein

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or the proceeds thereof, or (D) permit a lien with respect to the Collateral not to constitute a valid first priority perfected security interest in the Collateral securing the Notes of any series;

- (v) amend, modify or fail to comply with any material provision of the Trust Agreement, except for any amendment or modification of the Trust Agreement expressly permitted thereunder or under this Indenture or the relevant Funding Agreement;
- (vi) own any subsidiary or lend or advance any funds to, or make any investment in, any Person, except for the investment of any funds of the Issuer held by the Indenture Trustee, a Paying Agent (whether with respect to the Notes of any series or other securities of the Issuer), the Delaware Trustee or the Administrator as provided in this Indenture or the Trust Agreement;
- (vii) directly or indirectly declare or pay a distribution or make any distribution or other payment, or redeem or otherwise acquire or retire for value any securities other than the Notes, PROVIDED that the Issuer may declare or pay a distribution or make any distribution or other payment to the Trust Beneficial Owner in compliance with the Trust Agreement if the Issuer has paid or made provision for the payment of all amounts due to be paid on the Notes, and pay all of its debt, liabilities, obligations and expenses, the payment of which is provided for under the Support and Expenses Agreement;
- (viii) become required to register as an "investment company" under and as such term is defined in the Investment Company Act of 1940, as amended;



- (ix) enter into any transaction of merger or consolidation, or liquidate or dissolve itself (or, to the fullest extent permissible by law, suffer any liquidation or dissolution), or acquire by purchase or otherwise all or substantially all the business or assets of, or any stock or other evidence of beneficial ownership of, any Person;
- (x) take any action that would cause the Issuer or any series of the Issuer not to be either ignored or treated as a grantor trust for United States Federal income tax purposes;
- (xi) issue any Notes unless the Funding Agreement Provider has affirmed in writing to the Issuer that it has made changes to its books and records to reflect the grant of a security interest in, and the making of an assignment for collateral purposes of, the relevant Funding Agreement by the Issuer to the Indenture Trustee in accordance with the terms of such Funding Agreement and the

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Issuer has taken such other steps as may be necessary to cause the Security Interest in or assignment for all collateral purposes of, the relevant Collateral to be perfected for purposes of the UCC or effective against its creditors and subsequent purchasers of such Collateral pursuant to insurance or other state laws;

- (xii) make any deduction or withholding from any payment of principal of or interest on any series of Notes (other than amounts that may be required to be withheld or deducted from such payments under the Code or any other applicable tax law) by reason of the payment of any taxes levied or assessed upon any portion of any relevant Collateral except to the extent specified in this Indenture or the applicable Note Certificate or Supplemental Indenture;
- (xiii) have any employees other than the Delaware Trustee and Administrator or any other persons necessary to conduct its business and enter into transactions contemplated under this Indenture, the Trust Agreement, the Administrative Agreement, the Distribution Agreement, the Support and Expenses Agreement or any Funding Agreement;
- (xiv) have an interest in any bank account other than the accounts required under this Indenture, the Trust Agreement, the Distribution Agreement or any Funding Agreement and those accounts expressly permitted by the Indenture Trustee; provided that any such further accounts or such interest of the series of the Trust therein shall be charged or otherwise secured in favor of the Indenture Trustee on terms acceptable to such Indenture Trustee;
- (xv) permit any Affiliate, employee or officer of the Funding Agreement Provider or any Agent to be a trustee of Issuer; or
- (xvi) commingle the assets of any series of the Issuer with any assets of any other series of the Issuer or any assets of any series of the Issuer with any assets of any of the Issuer's Affiliates, or guarantee any obligation of any of the Issuer's Affiliates.

#### SECTION 4.9 ADDITIONAL AMOUNTS.

If any Notes of a series provide for the payment of Additional Amounts, the Issuer agrees to pay to the Holder of any such Note Additional Amounts as provided in a Note Certificate or Supplemental Indenture for such Notes. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of, or interest or premium on, or in respect of, any Note of any series or the net proceeds received on the sale or exchange of any Note of any series, such reference shall be deemed to include reference to the payment of Additional Amounts provided by the terms of such series established hereby or pursuant hereto to the extent that, in such context, Additional Amounts are, were or would be payable in respect

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thereof pursuant to such terms, and express reference to the payment of Additional Amounts in any provision hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express reference is not made.

If the Notes of a series provide for the payment of Additional Amounts, the Note Certificate or Supplemental Indenture for such Notes will provide that Issuer will pay, or cause to be paid, Additional Amounts to a Holder of Notes to compensate for any withholding or deduction for or on account of any present or future taxes, duties, levies, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any governmental authority in the United States having the power to tax, so that the net amount received by the Holder of the Notes, after giving effect to such withholding or deduction, whether or not currently payable, will equal the amount that would have been received under the Notes were no such deduction or withholding required; provided that no such Additional Amounts shall be required for or on account of:

- (a) any tax, duty, levy, assessment or other governmental charge imposed which would not have been imposed but for a Holder or beneficial owner of one or more of the Notes, (i) having any present or former connection with the United States, including, without limitation, being or having been a citizen or resident thereof, or having been present, having been incorporated in, having engaged in a trade or business or having (or having had) a permanent establishment or principal office therein, (ii) being a controlled foreign corporation for United States federal income tax purposes within the meaning of Section 957(a) of the Code related within the meaning of Section 864(d)(4) of the Code, to the Funding Agreement Provider, (iii) being a bank for United States federal income tax purposes whose receipt of interest on the Note is described in Section 881(c)(3)(A) of the Code, (iv) being an actual or constructive owner of 10 percent or more of the total combined voting power of all classes of stock of the Funding Agreement Provider entitled to vote within the meaning of Section 871(h)(3) of the Code and Treasury Regulations promulgated thereunder or (v) being subject to backup withholding as of the date of purchase by a beneficial owner or such Holder of Notes;
- (b) any tax, duty, levy, assessment or other governmental charge imposed which would not have been imposed but for the presentation of the Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment becomes due and payable or the date on which payment is duly provided for, whichever occurs later;
- (c) any tax, duty, levy, assessment or other governmental charge which is imposed or withheld solely by reason of the failure of the beneficial owner or a Holder of Notes to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the beneficial owner or a Holder of Notes, if compliance is required by statute, by regulation, judicial or administrative interpretation, or by an applicable income tax

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treaty to which the United States is a party as a condition to exemption from such tax, duty, levy, assessment or other governmental charge;

- (d) any inheritance, gift, estate, personal property, sales, transfer tax or similar tax, duty levy, assessment, or similar governmental charge;
- (e) any tax that is payable otherwise than by withholding from payments with respect to the Notes or any such indebtedness referred to above;
- (f) any tax, duty, levy, assessment or other governmental charge imposed by reason of payments on the Notes being treated as contingent interest described in Section 871(h)(4) of the Code for United States federal income tax purposes;
- (g) any tax, duty, levy, assessment or other governmental charge that would not have been imposed but for an election by the Holder of Note, the effect of which is to make payment in respect of the

Notes subject to United States Federal income tax; or

- (h) any combination of items (a), (b), (c), (d), (e), (f) or (g) above.

#### ARTICLE 5

#### REMEDIES OF THE INDENTURE TRUSTEE AND HOLDERS ON EVENT OF DEFAULT

##### SECTION 5.1 EVENT OF DEFAULT DEFINED; ACCELERATION OF MATURITY; WAIVER OF DEFAULT.

- (a) "EVENT OF DEFAULT" with respect to Notes of a particular series wherever used herein, means each of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
- (i) default in the payment when due and payable of the principal of, or any premium on, any Note of such series;
  - (ii) default in the payment, when due and payable, of any interest on, or any Additional Amounts with respect to, any Note of such series and continuance of such default for a period of five Business Days;
  - (iii) any "Event of Default", as such term is defined in any Funding Agreement securing the Notes of such series, by the Funding Agreement Provider under such Funding Agreement;
  - (iv) the Issuer shall fail to observe or perform any covenant contained in the Notes of such series or in this Indenture for a period of 30 days after the date on which written notice specifying such failure,

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stating that such notice is a "Notice of Default" hereunder and demanding that the Issuer remedy the same, shall have been given by registered or certified mail, return receipt requested, to the Issuer by the Indenture Trustee, or to the Issuer and the Indenture Trustee by the Holder or Holders of at least 25% in aggregate principal amount of the Notes of all series affected thereby at the time Outstanding; or

- (v) this Indenture for any reason shall cease to be in full force and effect or shall be declared null and void, or the Indenture Trustee shall fail to have or maintain a validly created and first priority perfected security interest (or the equivalent thereof) in the Collateral securing the Notes of such series; or any Person shall successfully claim, as finally determined by a court of competent jurisdiction that any Lien for the benefit of the Holders of the Notes of such series and any other Person for whose benefit the Indenture Trustee is holding the applicable series Collateral, that the relevant series Collateral is void or is junior to any other Lien or that the enforcement thereof is materially limited because of any preference, fraudulent transfer, conveyance or similar law;
- (vi) an involuntary case or other proceeding shall be commenced against the Issuer seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Issuer under the federal bankruptcy laws as now or hereafter in effect;
- (vii) the Issuer shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any

bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

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- (viii) any other Event of Default provided in any Supplemental Indenture or in a Note Certificate representing the Notes of such series.
- (b) If one or more Events of Default shall have occurred and be continuing with respect to the Notes of such series, then, and in every such event, unless the principal of all of the Notes of such series shall have already become due and payable, either the Indenture Trustee or the Holder or Holders of not less than 25% in aggregate principal amount of the Notes of such series then Outstanding hereunder (each such series voting as a separate class) by notice in writing to the Issuer (and to the Indenture Trustee if given by such Holder or Holders), may declare the entire principal and premium (if any) of all the Notes of such series, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable; PROVIDED that, if any Event of Default specified in Section 5.1(a)(vi) or 5.1(a)(vii) occurs with respect to the Issuer, or if any Event of Default specified in Section 5.1(a)(iii) that would cause any Funding Agreement securing the Notes of a series to become immediately due and payable occurs with respect to the Funding Agreement Provider, then without any notice to the Issuer or any other act by the Indenture Trustee or any Holder of any Notes of such series, the entire principal and premium (if any) of all the Notes of such series, any interest accrued thereon, and any Additional Amounts due and owing, and any other amounts payable with respect thereto, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Issuer; and PROVIDED FURTHER that, if any Event of Default specified in Section 5.1(a)(iii) or 5.1(a)(v) shall have occurred and is continuing with respect to all series of Notes then Outstanding, either the Indenture Trustee or the Holder or Holders of not less than 25% in aggregate principal amount of the Notes of all series then Outstanding hereunder (treated as a single class) by notice in writing to the Issuer (and to the Indenture Trustee if given by such Holder or Holders), may declare the entire principal and premium (if any) of all the Notes of all series and any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable.
- (c) Notwithstanding Section 5.1(b), if at any time after the principal of the Notes of such series, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto (or all the Notes of all series if the second proviso of Section 5.1(b) is applicable) shall have been so declared due and payable and before any judgment or decree for the payment of the funds due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall

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deposit with the Indenture Trustee a sum sufficient to pay all due and payable interest on, and any Additional Amounts due and owing and any other amounts payable with respect thereto, all the Notes of such series (or all the Notes of all series if the second proviso of Section 5.1(b) is applicable) and the principal and premium (if any) of any and all Notes of such series (or all the Notes of all series if the second proviso of Section 5.1(b) is applicable) which shall have become due and payable otherwise

than by acceleration pursuant to Section 5.1(b) above (with interest on such principal and, to the extent that payment of such interest is enforceable under applicable law, on any overdue interest and any other amounts payable, at the same rate as the rate of interest specified in the Note Certificate representing the Notes of such series (or all the Notes of all series if the second proviso of Section 5.1(b) is applicable) to the date of such payment or deposit) and such amount as shall be sufficient to cover reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence or bad faith, and if any and all Events of Default under this Indenture, other than the non-payment of the principal of and premium (if any) on the Notes of such series (or all the Notes of all series if the second proviso of Section 5.1(b) is applicable) which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein, then and in every such case the Holder or Holders of a majority in aggregate principal amount of the Notes of such series then Outstanding, each voting as a separate class (or all the Notes of all series, all voting as a single class, if the second proviso of Section 5.1(b) is applicable), by written notice to the Issuer and to the Indenture Trustee, may waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

SECTION 5.2 COLLECTION OF INDEBTEDNESS BY INDENTURE TRUSTEE;

INDENTURE TRUSTEE MAY PROVE DEBT.

- (a) Subject to Section 5.1(c), if any Event of Default contained in Section 5.1(a)(i) or (ii) shall have occurred and be continuing, the Issuer will, upon demand by the Indenture Trustee, pay to the Indenture Trustee for the benefit of each Holder of the Notes of any series the whole amount that then shall have become due and payable of the principal of, any premium and interest on, and any Additional Amounts due and owing and any other amounts payable with respect to, the Notes of such series (with interest to the date of such payment upon the overdue principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue interest and any other amounts payable at the same rate as the rate of interest specified in the Notes of such series); and in addition thereto, such

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further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, their respective agents, attorneys and counsel, and any expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of its negligence or bad faith.

- (b) Until such demand is made by the Indenture Trustee, the Issuer may pay the principal of, any premium and interest on, and any Additional Amounts due and owing and any other amounts payable with respect to, the Notes of such series to the Holders, whether or not the Notes of such series be overdue.
- (c) If the Issuer shall fail to pay such amounts upon such demand, the Indenture Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Issuer or other obligor upon the Notes of such series and collect in the manner provided by law out of the property of the Issuer or other obligor upon the Notes of such series, wherever the funds adjudged or decreed to be payable are situated. If there shall be pending proceedings relative to the Issuer or any other obligor upon the Notes of such series under Title 11 of the United States Code or any other applicable Federal or state bankruptcy, insolvency or other similar law, or if a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer

or its property or such other obligor, or in case of any other comparable judicial proceedings relative to the Issuer or other obligor upon the Notes of such series, or to the creditors or property of the Issuer or such other obligor, the Indenture Trustee, irrespective of whether the principal of the Notes of such series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

- (i) to file such proofs of a claim or claims and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as those adjudicated in a court of competent jurisdiction to be the result of any such

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Indenture Trustee's negligence or bad faith) and of the Holders allowed in any judicial proceedings relative to the Issuer or other obligor upon the Notes of such series, or to the creditors or property of the Issuer or such other obligor,

- (ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of the Notes of such series in any election of a trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency proceedings or Person performing similar functions in comparable proceedings, and
  - (iii) to collect and receive any funds or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of each Holder and of the Indenture Trustee on each Holder's behalf; and any trustee, receiver, or liquidator, custodian or other similar official is hereby authorized by each Holder to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to any Holder, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as those adjudicated in a court of competent jurisdiction to be the result of any such Indenture Trustee's negligence or bad faith.
- (d) Nothing contained herein shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Holder any plan or reorganization, arrangement, adjustment or composition affecting the Notes of such series or the rights of any Holder thereof, or to authorize the Indenture Trustee to vote in respect of the claim of any Holder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.
  - (e) All rights of action and of asserting claims under this Indenture, or under any of the Notes of such series, may be enforced by the Indenture Trustee without the possession of any of the Notes of such series or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit of each Holder.

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- (f) In any proceedings brought by the Indenture Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Indenture Trustee shall be a party) the Indenture Trustee shall be held to represent every Holder of the Notes of such series, and it shall not be necessary to make any Holder of the Notes of such series party to any such proceedings.

#### SECTION 5.3 APPLICATION OF PROCEEDS.

- (a) Any funds collected by the Indenture Trustee following an Event of Default pursuant to this Article or otherwise under the Indenture and the applicable Supplemental Indenture, if any, in respect of the Notes of a series shall be applied in the following order at the date or dates fixed by the Indenture Trustee and, in case of the distribution of such funds on account of principal, any premium and interest and any Additional Amounts, upon presentation of the Note Certificate or Certificates representing the Notes of such series and the notation thereon of the payment if only partially paid or upon the surrender thereof if fully paid:

FIRST: To the payment of costs and expenses, including reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee and their respective agents and attorneys and of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as those adjudicated in a court of competent jurisdiction to be the result of any such Indenture Trustee's negligence or bad faith;

SECOND: To the payment of principal, any premium and interest, any Additional Amounts and any other amounts then due and owing on the Notes of such series, ratably, without preference or priority of any kind, according to the aggregate principal amounts due and payable on such Notes;

THIRD: To the payment of any other Obligations then due and owing with respect to such series of Notes, ratably, without preference or priority of any kind; and

FOURTH: To the payment of any remaining balance to the Issuer for distribution by the Administrator in accordance with the Trust Agreement.

- (b) Any funds collected by the Indenture Trustee where no Event of Default exists pursuant to Article 5 or otherwise under the Indenture and the applicable Supplemental Indenture, if any, in respect of Notes of a series shall be applied in the following order at the date or dates fixed by the Indenture Trustee and, in case of the distribution of such funds on account of principal, any premium and interest, and any Additional Amounts, upon presentation, if applicable, of the Note Certificate representing the Notes of such series and the notation thereon of the payment if only partially paid or upon the surrender thereof if fully paid:

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FIRST: To the payment of principal, any premium and interest, any Additional Amounts, and any other amounts then due and owing on the Notes of such series, ratably, without preference or priority of any kind, according to the aggregate principal amounts due and payable on such Notes;

SECOND: To the payment of any other Obligations then due and owing with respect to such series of Notes, ratably, without preference or priority of any kind; and

THIRD: To the payment of any remaining balance to the Issuer for distribution by the Administrator in accordance with the Trust Agreement.

- (c) The Indenture Trustee may make distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

SECTION 5.4 SUITS FOR ENFORCEMENT. If an Event of Default has occurred, has not been waived and is continuing, the Indenture Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Indenture Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture or to enforce any other

legal or equitable right vested in the Indenture Trustee by this Indenture or by law.

SECTION 5.5 RESTORATION OF RIGHTS ON ABANDONMENT OF PROCEEDINGS. If the Indenture Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Indenture Trustee, then and in every such case the Issuer and the Indenture Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Indenture Trustee and each Holder shall continue as though no such proceedings had been taken.

SECTION 5.6 LIMITATIONS ON SUITS BY HOLDERS. No Holder of any Note of any series shall have any right by virtue or by availing of any provision of this Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to this Indenture, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy hereunder, unless:

- (i) such Holder has previously given written notice to the Indenture Trustee of a continuing Event of Default;
- (ii) the Holder or Holders of not less than 25% in aggregate principal amount of the Notes of such series then Outstanding shall have made written request to the Indenture Trustee to institute proceedings in respect of such Event of Default in its own name as the Indenture Trustee hereunder and shall have offered to the Indenture Trustee such reasonable indemnity as it may require

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against the costs, expenses and liabilities to be incurred therein or thereby;

- (iii) the Indenture Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings; and
- (iv) no direction inconsistent with such written request shall have been given to the Indenture Trustee during such 60-day period by the Holder or Holders of Notes representing at least 66 2/3% of the aggregate principal amount of the Notes of such series then Outstanding;

it being understood and intended, and being expressly covenanted by each Holder of every Note of such series with each other Holder of any Note of such series and the Indenture Trustee, that no Holder or Holders of Notes of such series shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder of any Note of such series, or to obtain or seek to obtain priority over or preference to any other Holder of any Note of such series or to enforce any right under this Indenture, for the equal, ratable and common benefit of all the Holders of the Notes of such series. For the protection and enforcement of the provisions of this Section, each Holder and the Indenture Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions in this Indenture, however, the right of any Holder of any Note, which is absolute and unconditional, to receive payment of the principal of (and premium, if any), and interest on, if any, and Additional Amounts with respect to, if any, such Note, on or after the respective due dates expressed in such Note, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 5.7 POWERS AND REMEDIES CUMULATIVE; DELAY OR OMISSION NOT WAIVER OF DEFAULT.

- (a) Except as provided in Section 2.7, no right or remedy herein conferred upon or reserved to the Indenture Trustee or to any Holder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.
- (b) No delay or omission of the Indenture Trustee or of any Holder of any Note of any series to exercise any right or power accruing



upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and, subject to Section 5.6, every

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power and remedy given by this Indenture or by law to the Indenture Trustee or to any Holder may be exercised from time to time, and as often as shall be deemed expedient, by the Indenture Trustee or by such Holder.

#### SECTION 5.8 CONTROL BY THE HOLDERS.

- (a) The Holders of a majority in aggregate principal amount of the Notes of any series (with each series voting as a separate class) at the time Outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee by this Indenture, PROVIDED that:
- (i) such direction shall not be otherwise than in accordance with law and the provisions of this Indenture; and
  - (ii) subject to the provisions of Section 6.1, the Indenture Trustee shall have the right to decline to follow any such direction if the Indenture Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken or if the Indenture Trustee in good faith by its board of directors, the executive committee, or a trust committee of directors or Responsible Officers of the Indenture Trustee shall determine that the action or proceedings so directed would involve the Indenture Trustee in personal liability or if the Indenture Trustee in good faith shall so determine that the actions or forbearances specified in or pursuant to such direction shall be unduly prejudicial to the interests of any Holder of any Note of all series so affected not joining in the giving of said direction, it being understood that (subject to Section 6.1) the Indenture Trustee shall have no duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holder.
- (b) Nothing in this Indenture shall impair the right of the Indenture Trustee in its discretion to take any action deemed proper by the Indenture Trustee and which is not inconsistent with such direction by the Holders.

SECTION 5.9 WAIVER OF PAST DEFAULTS. Prior to the declaration of the maturity of the Notes of any series as provided in Section 5.1, the Holder or Holders of a majority in aggregate principal amount of the Notes of such series at the time Outstanding (each such series voting as a separate class) may on behalf of the Holders of all the Notes of such series waive any past default or Event of Default hereunder and its consequences, except a default:

- (i) in the payment of principal of, any premium or interest on, or any Additional Amounts with respect to, any of the Notes of such series; or
- (ii) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Note of such series affected.

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Upon any such waiver, such default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

#### ARTICLE 6 THE INDENTURE TRUSTEE

#### SECTION 6.1 CERTAIN DUTIES AND RESPONSIBILITIES.

- (a) Except if an Event of Default with respect to the Notes of any

series has occurred and is continuing (and has not been cured or waived), the Indenture Trustee undertakes to perform in a prudent manner such duties and only such duties with respect to such series as are specifically set forth in this Indenture. No implied covenants or obligations shall be read into this Indenture against the Indenture Trustee.

- (b) If an Event of Default with respect to the Notes of any series has occurred and is continuing (and has not been cured or waived), the Indenture Trustee shall exercise such of the rights and powers with respect to such series vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.
- (c) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:
  - (i) this subsection (c) shall not be construed to limit the effect of subsection (a) of this Section;
  - (ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture unless a Responsible Officer of the Indenture Trustee has actual knowledge that such statements or opinions are false; provided that the Indenture Trustee must examine such certificates and opinions to determine whether they conform to the requirements of this Indenture;
  - (iii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by any Responsible Officer of the Indenture

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Trustee, unless it shall be proved that the Indenture Trustee was negligent in ascertaining the pertinent facts;

- (iv) the Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holder or Holders of not less than a majority in principal amount of the Outstanding Notes of any affected series relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture with respect to the Notes; and
  - (v) no provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such liability is not reasonably assured to it.
- (d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section.

SECTION 6.2 CERTAIN RIGHTS OF THE INDENTURE TRUSTEE. Subject to

Section 6.1:

- (a) the Indenture Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;
- (b) any request, direction, order or demand of the Issuer mentioned

herein shall be sufficiently evidenced by an Issuer's Certificate (unless other evidence in respect thereof be herein specifically prescribed);

- (c) the Indenture Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in reliance on such advice or Opinion of Counsel;
- (d) the Indenture Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any Holder pursuant to the provisions of this Indenture, unless such Holder shall have offered to the Indenture Trustee reasonable security or indemnity against the costs, expenses and liabilities which

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might be incurred by it in compliance with such request, order or direction;

- (e) whenever in the administration of this Indenture the Indenture Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on its part, be deemed to be conclusively proved and established by an Issuer's Certificate delivered to the Indenture Trustee;
- (f) the Indenture Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture;
- (g) the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document unless requested in writing so to do by the Holder or Holders of not less than a majority in aggregate principal amount of the Notes then Outstanding; PROVIDED that, if the payment within a reasonable time to the Indenture Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Indenture Trustee, not reasonably assured to the Indenture Trustee by the security afforded to it by the terms of this Indenture, the Indenture Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the Indenture Trustee or any predecessor trustee, shall be repaid by the Issuer upon demand; and
- (h) the Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys not regularly in its employ and the Indenture Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

SECTION 6.3 NOT RESPONSIBLE FOR RECITALS, VALIDITY OF THE NOTES OR APPLICATION OF THE PROCEEDS. The recitals contained herein and in the Notes, except the Indenture Trustee's certificates of authentication, shall be taken as the statements of the Issuer, and the Indenture Trustee assumes no responsibility for the correctness of the same. The Indenture Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Notes. The Indenture Trustee shall not be accountable for the use or application by the Issuer of any of the Notes or of the proceeds thereof.

SECTION 6.4 MAY HOLD NOTES; COLLECTIONS, ETC. The Indenture Trustee or any agent of the Issuer or the Indenture Trustee, in its individual or any other capacity, may become

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the owner or pledgee of Notes with the same rights it would have if it were not the Indenture Trustee or such agent and may otherwise deal with the Issuer and

receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Indenture Trustee or such agent.

SECTION 6.5 FUNDS HELD BY INDENTURE TRUSTEE. Subject to the provisions of Section 11.4, all funds received by the Indenture Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. The Indenture Trustee (and each of its agents and Affiliates) shall deposit all cash amounts received by it (or any such agents or Affiliates) that are derived from the series Collateral for any series of Notes for the benefit of the Holders of such series of Notes in a segregated account maintained or controlled by the Indenture Trustee, consistent with the rating of the Outstanding Notes of such series. Neither the Indenture Trustee nor any agent of the Issuer or the Indenture Trustee shall be under any liability for interest on any funds received by it hereunder.

SECTION 6.6 COMPENSATION; REIMBURSEMENT; INDEMNIFICATION.

(a) The Issuer covenants and agrees:

- (i) to pay to the Indenture Trustee from time to time, and the Indenture Trustee shall be entitled to, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (ii) except as otherwise provided herein, to pay or reimburse the Indenture Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Indenture Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may arise from its negligence or bad faith; and
- (iii) to indemnify the Indenture Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and its duties hereunder, including the costs and expenses of defending itself against or investigating any claim of liability in connection with the exercise or performance of any of its powers or duties hereunder.

(b) The obligations of the Issuer under this Section to compensate and indemnify the Indenture Trustee and to pay or reimburse the Indenture Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and

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discharge of this Indenture and any resignation or removal of the Indenture Trustee.

(c) Following an Event of Default, such additional indebtedness shall be a senior claim to that of the Notes upon all property and funds held or collected by the Indenture Trustee as such, except funds held in trust for the benefit of the Holders of particular Notes, and the Notes are hereby subordinated to such senior claim.

SECTION 6.7 CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

(a) There shall at all times be an Indenture Trustee hereunder which shall:

- (i) be a banking corporation authorized under its laws of incorporation and the laws of the jurisdiction in which it administers this Indenture and any Supplemental Indenture to exercise corporate trust powers, having an aggregate capital, surplus of at least \$50,000,000; provided that if such banking corporation publishes reports of condition at least annually, pursuant to law or to the requirements of its Federal, State or other governmental supervisor, then for the purposes of this Section, the aggregate capital, surplus and undivided profits of such banking corporation shall be deemed to be its aggregate capital, surplus and undivided profits as set forth in its most recent report

of condition so published;

- (ii) not be affiliated (as such term is defined in Rule 405 under the Securities Act) with the Issuer or with any Person involved in the organization or operation of the Issuer; and
  - (iii) not offer or provide credit or credit enhancement to the Issuer.
- (b) If at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of Section 6.7(a) with respect to the Notes of any series, the Indenture Trustee shall resign immediately with respect to the Notes of such series in the manner and with the effect specified in Section 6.8.

SECTION 6.8 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR

TRUSTEE.

- (a) The Indenture Trustee may at any time resign with respect to one or more or all series of Notes by giving not less than 90 days' prior written notice of resignation to the Issuer and to the Holders of such Notes as provided in this Indenture. Upon receiving such notice of resignation, the Issuer shall promptly cause a successor trustee with respect to the applicable series to be appointed by written instrument in duplicate, executed by the Issuer, one copy of which instrument shall be delivered to the resigning trustee and one copy to the successor trustee of such series. If no successor

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trustee shall have been so appointed with respect to any series and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

- (b) If at any time:
- (i) the Indenture Trustee shall cease to be eligible in accordance with the provisions of Section 6.7(a) or any applicable Supplemental Indenture and shall fail to resign with respect to Notes of each applicable series pursuant to Section 6.7(b) or following written request therefor by the Issuer or by any such Holder pursuant to Section 6.8(c);
  - (ii) the Indenture Trustee shall become incapable of acting with respect to the applicable series of Notes, or shall be adjudged as bankrupt or insolvent, or a receiver or liquidator of the Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; or
  - (iii) The Indenture Trustee shall fail to comply with the obligations imposed upon it under Section 310(b) of the Trust Indenture Act with respect to Notes of any series after written request therefor by the Issuer or any Holder of a Note of such series who has been a bona fide Holder of a Note of such series or at least six months;

then, in any such case, except during the existence of an Event of Default, the Issuer may remove the Indenture Trustee with respect to the applicable series and appoint a successor trustee with respect to the applicable series of Notes by written instrument, in duplicate, one copy of which instrument shall be delivered to the Indenture Trustee so removed and one copy to the successor trustee.

- (c) In addition to the right of petition given to the resigning trustee and the right of removal given to the Issuer under Sections 6.8(a) and 6.8(b), respectively, any Holder who has been a Holder of Notes for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee or the removal of the Indenture Trustee and the appointment of a

successor trustee, as the case may be. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee or remove the Indenture Trustee and appoint a successor trustee, as the case may be.

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- (d) The Holder or Holders of a majority of the aggregate principal amount of the Notes of each series at the time Outstanding may at any time remove the Indenture Trustee with respect to the Notes of such series and appoint a successor trustee with respect to the Notes of such series by delivering to the Indenture Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence provided for in Section 8.1 of the action in that regard taken by a Holder.
- (e) Any resignation or removal of the Indenture Trustee with respect to any series and any appointment of a successor trustee with respect to such series pursuant to any of the provisions of this Section 6.8 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 6.9.

#### SECTION 6.9 ACCEPTANCE OF APPOINTMENT BY SUCCESSOR TRUSTEE.

- (a) Every successor trustee appointed as provided in Section 6.8 shall execute, acknowledge and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor trustee with respect to all or any applicable series shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee for such series hereunder; but, nevertheless, on the written request of the Issuer or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall, subject to Section 11.4, pay over to the successor trustee all funds at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a claim upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 6.6.
- (b) If a successor trustee is appointed with respect to the Notes of one or more (but not all) series, the Issuer, the predecessor Indenture Trustee and each successor trustee with respect to the Notes of any applicable series shall execute and deliver a Supplemental Indenture which shall contain such provisions as shall be deemed necessary or desirable to conform that all the rights, powers, trusts and duties of the predecessor Indenture Trustee with respect to the Notes of any series as to which the predecessor Indenture Trustee is not retiring shall continue to be vested in the predecessor Indenture Trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or

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facilitate the administration of the trusts hereunder by more than one trustee, it being understood that nothing herein or in such Supplemental Indenture shall constitute such trustees co-trustees of the same trust and that each such trustee shall be trustee of a trust or trusts under separate indentures.

- (c) Upon acceptance of appointment by a successor Indenture Trustee as provided in this Section 6.9, the Issuer shall notify each Holder of any Note of any applicable series. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 6.8. If the Issuer fails to make such notice within 10 days after acceptance of appointment by the successor Indenture Trustee, the successor Indenture Trustee shall cause such notice to be mailed at the expense of the Issuer.

SECTION 6.10 MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS OF INDENTURE TRUSTEE.

- (a) Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Indenture Trustee, shall be the successor of the Indenture Trustee under this Indenture, PROVIDED that such corporation shall be eligible under the provisions of Section 6.7, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.
- (b) In case at the time such successor to the Indenture Trustee shall succeed to the trusts created by this Indenture any of the Notes of a series shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor Indenture Trustee and deliver such Notes so authenticated; and, in case at that time any of the Notes of a series shall not have been authenticated, any successor to the Indenture Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor Indenture Trustee; and in all such cases such certificate shall have the full force; PROVIDED, that the right to adopt the certificate of authentication of any predecessor Indenture Trustee or to authenticate Notes of such series in the name of any predecessor Indenture Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 6.11 LIMITATIONS ON RIGHTS OF INDENTURE TRUSTEE AS CREDITOR. The Indenture Trustee shall comply with Section 311(a) of the Trust Indenture Act.

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ARTICLE 7  
HOLDERS LIST AND REPORTS BY INDENTURE TRUSTEE AND ISSUER

SECTION 7.1 ISSUER TO FURNISH INDENTURE TRUSTEE NAMES AND ADDRESSES OF HOLDERS.

In accordance with Section 312(a) of the Trust Indenture Act, the Issuer shall furnish or cause to be furnished to the Indenture Trustee:

- (a) semi-annually with respect to Notes of each series not later than June 30 and December 31 of the year or upon such other dates as are set forth in or pursuant to a Note Certificate or Supplemental Indenture for such series, a list, in each case in such form as the Indenture Trustee may reasonably require, of the names and addresses of Holders as of the applicable date, and
- (b) at such other times as the Indenture Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished,

PROVIDED, HOWEVER, that so long as the Indenture Trustee is the Registrar no such list shall be required to be furnished.

SECTION 7.2 PRESERVATION OF INFORMATION; COMMUNICATION TO HOLDERS.

The Indenture Trustee shall comply with the obligations imposed upon it pursuant to Section 312 of the Trust Indenture Act. Every Holder of Notes, by receiving and holding the same, agrees with the Issuer and the Indenture Trustee that neither the Issuer, the Indenture Trustee, any Paying Agent or any Registrar shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Notes in accordance with Section 312(c) of the Trust Indenture Act, regardless of the source from which such information was derived, and that the Indenture Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

SECTION 7.3 REPORTS BY INDENTURE TRUSTEE.

- (a) Within 60 days after May 15 of each year commencing with the first May 15 following the first issuance of Notes, if required

by Section 313(a) of the Trust Indenture Act, the Indenture Trustee shall transmit, pursuant to Section 313(c) of the Trust Indenture Act, a brief report dated as of May 15 with respect to any of the events specified in Section 313(a) of the Trust Indenture Act which may have occurred since the later of the immediately preceding May 15 and the date of this Indenture.

- (b) The Indenture Trustee shall transmit the reports required by Section 313(a) of the Trust Indenture Act at the time specified therein.

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- (c) The Indenture Trustee shall comply with Section 313(b) of the Trust Indenture Act.
- (d) Reports pursuant to this Section shall be transmitted in the manner and to the Persons required by Sections 313(c) and 313(d) of the Trust Indenture Act.
- (e) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Indenture Trustee with each stock exchange upon which the Notes are listed, with the Commission and the Issuer. The Issuer will notify the Indenture Trustee when any of the Notes are listed on any stock exchange.
- (f) The Issuer shall furnish to the Indenture Trustee:
  - (i) promptly after the execution and delivery of this Indenture or a Supplemental Indenture relating to the addition of Collateral, an Opinion of Counsel stating that, in the opinion of such counsel, this Indenture, and all other instruments of further assurance have been properly recorded, registered and filed to the extent necessary to make effective the Security Interest intended to be created by this Indenture, and reciting the details of such action or referring to prior opinions of counsel in which such details are given, or stating that, in the opinion of such counsel, no such action is necessary to make such Security Interests effective; and
  - (ii) at least annually beginning with the year 2003, an Opinion of Counsel, dated as of such date, either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, registering, filing, re-recording, re-registering and re-filing of (i) this Indenture and all Supplemental Indentures and amendments thereto, and (ii) financing statement, continuation statements or other instruments of further assurances, as is necessary to maintain the Security Interest of this Indenture and reciting the details of such action or referring to prior Opinions of Counsel in which such details are given, and stating that all financing statements and continuation statements have been executed and filed that are necessary to preserve and protect the rights of the Holders and the Indenture Trustee hereunder, or stating that, in the opinion of such counsel, no such action is necessary to maintain such Security Interest.

#### SECTION 7.4 REPORTS BY ISSUER.

Pursuant to Section 314(a) of the Trust Indenture Act, the Issuer

shall:

- (a) file with the Indenture Trustee, within 15 days after the Issuer is required to file the same with the Commission, copies of the annual reports and of

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the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Issuer may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Issuer is not required to file information, documents or reports pursuant to either of said Sections, then it shall file with the Indenture Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such



of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

- (b) file with the Indenture Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Issuer, with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and
- (c) transmit within 30 days after the filing thereof with the Indenture Trustee, in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act, such summaries of any information, documents and reports required to be filed by the Issuer pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE 8  
CONCERNING EACH HOLDER

SECTION 8.1 EVIDENCE OF ACTION TAKEN BY A HOLDER.

- (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by any Holder with respect to the Notes of any series may be embodied in and evidenced (i) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, or (ii) by the record of the Holders of Notes voting in favor thereof at any meeting of Holders duly called and held in accordance with the provisions of Article 12, or (iii) by a combination of such instrument or instruments and any such record of such meeting of Holders. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Sections 6.1 and 6.2) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Article. The record of any

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meeting of Holders of Notes shall be proved in the manner provided in Section 12.6.

- (b) Any request, demand, authorization, direction, notice, consent, waiver or other action of the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

SECTION 8.2 PROOF OF EXECUTION OF INSTRUMENTS AND OF HOLDING OF NOTES.

- (a) Subject to Sections 6.1 and 6.2, the execution of any instrument by a Holder or its agent or proxy may be proved in accordance with such reasonable rules and regulations as may be prescribed by the Indenture Trustee or in such manner as shall be satisfactory to the Indenture Trustee.
- (b) The ownership, principal amount and serial numbers of Notes of any series shall be proved by the Note Register for such series or by a certificate of the Indenture Trustee.

SECTION 8.3 VOTING RECORD DATE. The Issuer may set a record date for purposes of determining the identity of each Holder of any Note of any series entitled to vote or consent to any action with respect to such series referred to in Section 8.1, which record date may be set at any time or from time to time by notice to the Indenture Trustee, for any date or dates (in the case of any adjournment or resolicitation) not more than 60 days nor less than 5 days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only a Holder of any Note of such series on such

record date shall be entitled to so vote or give such consent or to withdraw such vote or consent.

SECTION 8.4 PERSONS DEEMED TO BE OWNERS. The Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may deem and treat the Holder of any Note of any series of Notes as the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of, any premium on, and, subject to the provisions of this Indenture, any interest on, and any Additional Amounts with respect to, such Note and for all other purposes; and neither the Issuer nor the Indenture Trustee nor any agent of the Issuer or the Indenture Trustee shall be affected by any notice to the contrary. All such payments so made to any such Person, or upon such Person's order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for funds payable upon any such Note.

SECTION 8.5 NOTES OWNED BY ISSUER DEEMED NOT OUTSTANDING. In determining whether the Holders of the requisite aggregate principal amount of Notes of any or all series have concurred in any direction, consent or waiver under this Indenture, Notes of such series which are owned by the Issuer or any other obligor on the Notes with respect to which the

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determination is being made or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Notes with respect to which such determination is being made shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that for the purpose of determining whether the Indenture Trustee shall be protected in relying on any such direction, consent or waiver only Notes which the Indenture Trustee knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Notes. In case of a dispute as to such right, the advice of counsel shall be full protection in respect of any decision made by the Indenture Trustee in accordance with such advice. Upon request of the Indenture Trustee, the Issuer shall furnish to the Indenture Trustee promptly an Issuer's Certificate listing and identifying all Notes, if any, known by the Issuer to be owned or held by or for the account of any of the above-described Persons; and, subject to Sections 6.1 and 6.2, the Indenture Trustee shall be entitled to accept such Issuer's Certificate as conclusive evidence of the facts therein set forth and of the fact that all Notes not listed therein are Outstanding for the purpose of any such determination.

SECTION 8.6 RIGHT OF REVOCATION OF ACTION TAKEN; BINDING EFFECT OF ACTIONS BY HOLDERS.

- (a) At any time prior to (but not after) the evidencing to the Indenture Trustee, as provided in Section 8.1, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Notes of any or all series specified in this Indenture in connection with such action, any Holder of a Note represented by a Note Certificate the serial number of which is shown by the evidence to be included among the serial numbers of the Note Certificates representing Notes the Holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article, revoke such action so far as concerns such Note.
- (b) Any action taken by the Holders of the percentage in aggregate principal amount of the Notes of any or all series specified in this Indenture in connection with such action shall be conclusively binding upon the Issuer, the Indenture Trustee and the Holders of all the Notes affected by such action, of any Notes issued in exchange for any Notes affected by such action or any Notes represented by Note Certificates executed, authenticated and delivered in exchange for any Note Certificate representing any Notes affected by such action, in respect of whether or not any notation in regard of any such action is made on any applicable Note Certificate.

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SECTION 9.1 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS.

- (a) The Issuer and the Indenture Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (each, a "SUPPLEMENTAL INDENTURE") (which shall conform to the provisions of the Trust Indenture Act) for one or more of the following purposes without the consent of any Holder:
- (i) for the Issuer to convey, transfer, assign, mortgage or pledge to the Indenture Trustee as security for the Notes of one or more series any property or assets;
  - (ii) to add to the covenants of the Issuer such further covenants, restrictions, conditions or provisions as the Issuer and the Indenture Trustee shall consider to be for the protection of each Holder of any Note, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; PROVIDED, that in respect of any such additional covenant, restriction, condition or provision such Supplemental Indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Indenture Trustee upon such an Event of Default or may limit the right of the Holders of a majority in aggregate principal amount of the Notes of such series to waive such an Event of Default;
  - (iii) to cure any ambiguity or to correct or supplement any provision contained herein or in any Supplemental Indenture or Note Certificate which may be defective or inconsistent with any other provision contained herein or in any Supplemental Indenture or Note Certificate; or to make such other provisions in regard to matters or questions arising under this Indenture or under any Supplemental Indenture or Note Certificate as the Issuer may deem necessary or desirable and which shall not adversely affect the interests of the Holders of the Notes in any material respect;
  - (iv) to establish the form or terms of Notes of any series as permitted by Section 2.2; or
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- (v) to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the Notes of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Section 6.9.
- (b) The Indenture Trustee is hereby authorized to join with the Issuer in the execution of any such Supplemental Indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Indenture Trustee shall not be obligated to enter into any such Supplemental Indenture which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.
- (c) Any Supplemental Indenture authorized by the provisions of this section may be executed without the consent of any Holder of any Note at the time Outstanding, notwithstanding any of the provisions of Section 9.2.

SECTION 9.2 SUPPLEMENTAL INDENTURES WITH CONSENT OF HOLDERS.

- (a) With the consent (evidenced as provided in Article 8) of the Holders of not less than 66 2/3% in aggregate principal amount of the Notes at the time Outstanding of all series affected by such

Supplemental Indenture (voting as a single class), the Issuer and the Indenture Trustee may, from time to time and at any time, enter into a Supplemental Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture or Note Certificate or of modifying in any manner the rights of the Holders of the Notes of each such series; PROVIDED, that no such Supplemental Indenture shall:

- (i) extend the final maturity of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest or any other amount payable thereon, or impair or affect the right of any Holder to institute suit for the payment thereof without the consent of the Holder of each Note so affected or modify any redemption or repayment provisions applicable to such series of Notes;
  - (ii) permit the creation of any Lien on the Collateral or any part thereof (other than the Security Interest in favor of the Indenture Trustee on behalf of the Holders) or terminate the Security Interest as to any part of the Collateral, except as permitted by this Indenture; or
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- (iii) modify any of the provisions of this Section 9.2 except to increase the aforementioned percentage of Notes required to approve any Supplemental Indenture.
- (b) Upon the request of the Issuer, and upon the filing with the Indenture Trustee of evidence of the consent of each Holder and other documents, if any, required by Section 8.1 the Indenture Trustee shall join with the Issuer in the execution of such Supplemental Indenture unless such Supplemental Indenture affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Indenture Trustee may in its discretion, but shall not be obligated to, enter into such Supplemental Indenture.
  - (c) It shall not be necessary for the consent of the Holders under this section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.
  - (d) Promptly after the execution by the Issuer and the Indenture Trustee of any Supplemental Indenture pursuant to the provisions of this Section, the Indenture Trustee shall notify the Holders of each Note of each series affected thereby, as provided in this Indenture, setting forth in general terms the substance of such Supplemental Indenture. Any failure of the Indenture Trustee to provide such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

SECTION 9.3 COMPLIANCE WITH TRUST INDENTURE ACT; EFFECT OF SUPPLEMENTAL INDENTURE. Any Supplemental Indenture executed pursuant to the provisions of this Article shall comply with the Trust Indenture Act. Upon the execution of any Supplemental Indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Indenture Trustee, the Issuer and each Holder of Notes of each series affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.4 DOCUMENTS TO BE GIVEN TO INDENTURE TRUSTEE. The Indenture Trustee, subject to the provisions of Sections 6.1 and 6.2, may receive an Issuer's Certificate and an Opinion of Counsel as conclusive evidence that any such Supplemental Indenture complies with the applicable provisions of this Indenture.

SECTION 9.5 NOTATION ON NOTE CERTIFICATES IN RESPECT OF SUPPLEMENTAL INDENTURES. Any Note Certificate of any series authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article may bear a notation in form approved by the Indenture Trustee for such series as to any matter provided for by such

Supplemental Indenture or as to any action taken at any such meeting. If the Issuer or the Indenture Trustee shall so determine, a new Note Certificate representing Notes of any series so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any modification of this Indenture contained in any such Supplemental Indenture may be prepared by the Issuer, authenticated by the Indenture Trustee and delivered in exchange for each Note Certificate representing Notes of such series then Outstanding.

ARTICLE 10  
CONSOLIDATION, MERGER, SALE OR CONVEYANCE

SECTION 10.1 ISSUER MAY NOT MERGE, CONSOLIDATE, SELL OR CONVEY PROPERTY. The Issuer may not consolidate with, or merge into, any Person (whether or not affiliated with the Issuer), or sell, lease or convey the property of the Issuer as an entirety or substantially as an entirety, unless:

- (a) the entity formed by such consolidation or into which the Issuer is merged or the Person which acquires by conveyance or transfer the properties and assets of the Issuer substantially as an entirety shall be a statutory trust organized in series under the laws of the State of Delaware or a corporation or other entity organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall expressly assume, by a Supplemental Indenture, executed and delivered to the Indenture Trustee, in form satisfactory to the Indenture Trustee, the due and punctual payment of the principal of, any premium and interest on, and any Additional Amounts with respect to, all the Notes and the performance of every covenant of this Indenture on the part of the Issuer to be performed or observed;
- (b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing;
- (c) the Issuer has received written confirmation from any rating agency then rating any Notes at the request of the Issuer that such consolidation, merger, conveyance or transfer shall not cause the rating on the then outstanding Notes to be downgraded or withdrawn; and
- (d) the Issuer has delivered to the Indenture Trustee an Issuer's Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such Supplemental Indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

ARTICLE 11  
SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED FUNDS

SECTION 11.1 SATISFACTION AND DISCHARGE OF INDENTURE. If at any time (a) the Issuer shall have paid or caused to be paid all outstanding principal of, any premium and interest

on, and any Additional Amounts and other amounts payable with respect to, all the Notes of any series Outstanding hereunder, as and when the same shall have become due and payable, or (b) the Issuer shall have delivered to the Indenture Trustee for cancellation all Note Certificates representing Notes of any series theretofore authenticated (other than any Note Certificate which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.7) or (c) the Issuer shall have irrevocably deposited or caused to be deposited with the Indenture Trustee as trust funds the entire amount in cash (other than funds repaid by the Indenture Trustee or any Paying Agent to the Issuer in accordance with Section 11.4) sufficient to pay at maturity all amounts payable at maturity on the Notes of such series represented by each Note Certificate not theretofore delivered to the Indenture Trustee for cancellation, including any principal, interest, premium, Additional Amounts and other amounts due or to become due to such date of maturity as the case may be, and if, in any such case, the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer, then this Indenture shall cease to be of further effect (except as to (i) rights of registration of transfer and exchange, (ii) substitution of apparently mutilated, defaced, destroyed, lost or stolen Note Certificates, (iii) rights of Holders to receive payments of principal of, any

premium and interest on, and any Additional Amounts and other amounts payable with respect to, the Notes of such series, (iv) the rights, obligations and immunities of the Indenture Trustee hereunder and (v) the rights of each Holder as beneficiary hereof with respect to the property so deposited with the Indenture Trustee payable to all or any of them), and the Indenture Trustee, on demand of the Issuer accompanied by an Issuer's Certificate and an Opinion of Counsel and at the cost and expense of the Issuer, shall execute proper instruments acknowledging such satisfaction of and discharging this Indenture. The Issuer agrees to reimburse the Indenture Trustee for any costs or expenses thereafter reasonably and properly incurred and to compensate the Indenture Trustee for any services thereafter reasonably and properly rendered by the Indenture Trustee in connection with this Indenture or the Notes of such series.

SECTION 11.2 APPLICATION BY INDENTURE TRUSTEE OF FUNDS DEPOSITED FOR PAYMENT OF NOTES. Subject to Section 11.4, all funds deposited with the Indenture Trustee pursuant to Section 11.1 shall be held in trust in accordance with Section 6.5 and applied by it to the payment, either directly or through any Paying Agent (including the Issuer acting as its own paying agent), to each Holder of any Note for the payment or redemption of which such funds have been deposited with the Indenture Trustee, of all sums due and to become due thereon for any principal, interest, premium, Additional Amounts or other amounts.

SECTION 11.3 REPAYMENT OF FUNDS HELD BY PAYING AGENT. In connection with the satisfaction and discharge of this Indenture with respect to Notes of any series all funds then held by any Paying Agent under the provisions of this Indenture with respect to such series of Notes shall, upon demand of the Issuer, be repaid to the Issuer or paid to the Indenture Trustee and thereupon such Paying Agent shall be released from all further liability with respect to such funds.

SECTION 11.4 RETURN OF FUNDS HELD BY INDENTURE TRUSTEE AND PAYING AGENT. Any funds deposited with or paid to the Indenture Trustee or any Paying Agent for the payment of the principal of, any interest or premium on, or any Additional Amounts or any other amounts with respect to, any Note of any series and not applied but remaining unclaimed for three years after the date upon which such principal, interest, premium, Additional Amounts or any other

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amount shall have become due and payable, shall, upon the written request of the Issuer and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Issuer by the Indenture Trustee for such series or such Paying Agent, and the Holder of such Note of such series shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Issuer for any payment which such Holder may be entitled to collect, and all liability of the Indenture Trustee or any Paying Agent with respect to such funds shall thereupon cease.

## ARTICLE 12 MEETINGS OF HOLDERS OF NOTES

SECTION 12.1 PURPOSES FOR WHICH MEETINGS MAY BE CALLED. A meeting of Holders of Notes of any series may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Notes of such series.

SECTION 12.2 CALL, NOTICE AND PLACE OF MEETINGS.

- (a) Unless otherwise provided in a Note Certificate, the Indenture Trustee may at any time call a meeting of Holders of Notes of any series for any purpose specified in Section 12.1, to be held at such time and at such place in the City of New York or the city in which the Corporate Trust Office is located. Notice of every meeting of Holders of Notes of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given in the manner provided in Section 13.4, not less than 21 nor more than 180 days prior to the date fixed for the meeting.
- (b) In case at any time the Issuer or the Holder or Holders of at least 10% in principal amount of the Notes of any series then Outstanding shall have requested the Indenture Trustee to call a meeting of the Holders of Notes of such series for any purpose specified in Section 12.1, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Indenture Trustee shall not have made the first publication or mailing of the notice of such meeting within 21 days after receipt of such request or shall not thereafter

proceed to cause the meeting to be held as provided herein, then the Issuer or the Holder or Holders of Notes of such series in the amount above specified, as the case may be, may determine the time and the place in the City of New York or the city in which the Corporate Trust Office is located for such meeting and may call such meeting for such purposes by giving notice thereof as provided in Section 12.2.

SECTION 12.3 PERSONS ENTITLED TO VOTE AT MEETINGS. To be entitled to vote at any meeting of Holders of Notes of any series, a Person shall be (a) a Holder of one or more

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Notes of such series then Outstanding, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Notes of such series then Outstanding by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Holders of Notes of any series shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Indenture Trustee and its counsel and any representatives of the Issuer and its counsel.

SECTION 12.4 QUORUM; ACTION.

- (a) The Persons entitled to vote a majority in principal amount of the Notes of a series then Outstanding shall constitute a quorum for a meeting of Holders of Notes of such series; PROVIDED, HOWEVER, that if any action is to be taken at such meeting with respect to a consent or waiver which this Indenture expressly provides may be given by the Holders of not less than 66 2/3% in principal amount of the Outstanding Notes of a series, then Persons entitled to vote 66 2/3% in principal amount of the Outstanding Notes of such series shall constitute a quorum. In the absence of a quorum within 30 minutes after the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Notes of such series, be dissolved. In any other case the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in Section 12.2, except that such notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Notes of such series which shall constitute a quorum.
- (b) Except as limited by the proviso to Section 9.2(a), any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Notes of that series; PROVIDED, HOWEVER, that, except as limited by the proviso to Section 9.2(a), any resolution with respect to any consent or waiver which this Indenture expressly provides may be given by the Holders of not less than 66 2/3% in principal amount of the Outstanding Notes of a series may be adopted at a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid only by the affirmative vote of the Holders of 66 2/3% in principal amount of the Outstanding Notes of that series; and PROVIDED, FURTHER, that, except as limited by the proviso to Section 9.2(a), any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other

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action which this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Notes of a series may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Notes of such series.

- (c) Any resolution passed or decision taken at any meeting of Holders of Notes of any series duly held in accordance with this Section shall be binding on all the Holders of Notes of such series, whether or not such Holders were present or represented at the meeting.

SECTION 12.5 DETERMINATION OF VOTING RIGHTS; CONDUCT OF ADJOURNMENT OF MEETINGS.

- (a) Notwithstanding any other provisions of this Indenture, the Indenture Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Notes of such series in regard to proof of the holding of Notes of such series and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Notes shall be proved in the manner specified in Section 8.4 and the appointment of any proxy shall be proved in the manner specified in Section 8.2. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 8.2 or other proof.
- (b) The Indenture Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Issuer or by Holders of Notes as provided in Section 12.2(b), in which case the Issuer or the Holders of Notes of the series calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in principal amount of the Outstanding Notes of such series represented at the meeting.
- (c) At any meeting, each Holder of a Note of such series or proxy shall be entitled to one vote for each \$1,000 of principal amount of Notes of such series held or represented by such Holder or proxy; PROVIDED, HOWEVER, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not Outstanding and ruled by the chairman of the meeting to

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be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Note of such series or proxy.

- (d) Any meeting of Holders of Notes of any series duly called pursuant to Section 12.2 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of the Outstanding Notes of such series represented at the meeting; and the meeting may be held as so adjourned without further notice.

SECTION 12.6 COUNTING VOTES AND RECORDING ACTION OF MEETINGS. The vote upon any resolution submitted to any meeting of Holders of Notes of any series shall be (a) by written ballots on which shall be subscribed the signatures of the Holders of Notes of such series or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Notes of such series held or represented by them or (b) by such other procedures adopted by the Indenture Trustee in its discretion. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in triplicate of all votes cast at the meeting. A record, at least in triplicate, of the proceedings of each meeting of Holders of Notes of any series shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 12.2 and, if applicable, Section 12.4. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Issuer, and another to the Indenture Trustee to be preserved by the Indenture Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.



ARTICLE 13  
MISCELLANEOUS PROVISIONS

SECTION 13.1 NO RECOURSE. Notwithstanding anything to the contrary contained in this Indenture, or any relevant Note Certificate or Supplemental Indenture, none of the Funding Agreement Provider, its officers directors, affiliates, employees or agents, or any of the Delaware Trustee, the Trust Beneficial Owner or the Series Beneficial Owner, or any of their officers, directors, affiliates, employees or agents (the "NONRECOURSE PARTIES") will be personally liable for the payment of any principal, interest or any other sums at any time owing under the terms of the Notes. If any Event of Default shall occur with respect to the Notes of any series, the right of the Holders of the Notes and the Indenture Trustee on behalf of such Holders in connection with a claim on the Notes shall be limited solely to a proceeding against the relevant Collateral. Neither such Holders nor the Indenture Trustee on behalf of such Holders will have the right to proceed against the Nonrecourse Parties or any other series of the Issuer to enforce the Notes (except that to the extent they exercise their rights, if any, to seize the relevant Funding Agreement, they may enforce the relevant Funding Agreement against the Funding Agreement Provider) or for any deficiency judgment remaining after foreclosure of any property included in the relevant Collateral.

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It is expressly understood and agreed that nothing contained in this Section shall in any manner or way constitute or be deemed a release of the debt or other obligations evidenced by the Notes of any series or otherwise affect or impair the enforceability against the Issuer with respect to the relevant series of the Issuer of the liens, assignments, rights and Security Interests created by or pursuant to this Indenture, the relevant Collateral or any other instrument or agreement evidencing, securing or relating to the indebtedness or the obligations evidenced by the Notes of a series. Nothing in this Section shall preclude the Holders from foreclosing upon any property included in the relevant Collateral or any other rights or remedies in law or in equity against the Issuer with respect to the relevant series of the Issuer.

Holders may not seek to enforce rights with respect to any Notes (i) by commencing any recovery or enforcement proceedings against the Issuer generally or with respect to the relevant series of the Issuer, (ii) by applying to wind up the Issuer, (iii) otherwise than through the Indenture Trustee in exercise of powers, appointing a receiver or administrator to the Issuer or any of the assets of the Issuer generally or with respect to the relevant series of the Issuer, (iv) by making any statutory demand upon the Issuer or with respect to the relevant series of the Issuer under applicable corporation law, or (v) in any other manner except as may be provided in this Indenture, and any applicable Note Certificate or Supplemental Indenture.

SECTION 13.2 PROVISIONS OF INDENTURE FOR THE SOLE BENEFIT OF PARTIES AND HOLDERS. Nothing in this Indenture or in the Notes, expressed or implied, shall give or be construed to give to any Person, other than the parties hereto and their successors and the Holders of the Notes, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the Holders of the Notes.

SECTION 13.3 SUCCESSORS AND ASSIGNS OF ISSUER BOUND BY INDENTURE. All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 13.4 NOTICES AND DEMANDS ON ISSUER, INDENTURE TRUSTEE AND ANY HOLDER.

- (a) Except as otherwise provided by this Section, any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Indenture Trustee or by any Holder of any Note to or on the Issuer may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided herein) addressed (until another address of the Issuer is filed by the Issuer with the Indenture Trustee) to the Delaware Trustee. Any notice, direction, request or demand by the Issuer or any Holder to or upon the Indenture Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made at the Corporate Trust Office.
- (b) Where this Indenture provides for notice to any Holder, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder entitled

thereto, at such Holder's last address as it appears in the applicable Note Register. In any case where notice to any Holder is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to any other Holder.

- (c) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by any Holder shall be filed with the Indenture Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.
- (d) If, by reason of the suspension of or irregularities in regular mail service, it shall be impracticable to mail notice to the Issuer and each Holder when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

SECTION 13.5 ISSUER'S CERTIFICATES AND OPINIONS OF COUNSEL;  
STATEMENTS TO BE CONTAINED THEREIN.

- (a) Except as otherwise expressly provided in this Indenture, upon any application or demand by the Issuer to the Indenture Trustee to take any action under any of the provisions of this Indenture, the Issuer shall furnish to the Indenture Trustee an Issuer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.
- (b) Each certificate or opinion provided for in this Indenture and delivered to the Indenture Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include:
  - (i) a statement that the Person making such certificate or opinion has read such covenant or condition;
  - (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
  - (iii) a statement that, in the opinion of such Person, he has made such examination or investigation or has received such certificates, opinions, representations or statements of counsel or accountants pursuant to paragraphs (c) or (d) of this Section, as are necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
  - (iv) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

- (c) Any certificate, statement or opinion of the Issuer may be based upon a certificate or opinion of or representations by counsel, unless the Issuer knows that the certificate or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Issuer, upon the certificate, statement or opinion of or representations by the Issuer, unless such counsel knows that the certificate, statement or opinion or representations with respect

to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

- (d) Any certificate, statement or opinion of the Issuer or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.
- (e) Any certificate or opinion of any independent firm of public accountants filed with the Indenture Trustee shall contain a statement that such firm is independent.

SECTION 13.6 GOVERNING LAW. This Indenture and the Notes of each series shall (unless specified otherwise in the Notes of such series) be governed by, and construed in accordance with, the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the Issuer's ownership of and security interest in the Funding Agreements or remedies under this Indenture in respect thereof may be governed by the laws of a jurisdiction other than the State of New York. All judicial proceedings brought against the Issuer or the Indenture Trustee arising out of or relating to the Indenture, any Note or any portion of the Collateral or other assets of the Issuer may be brought in any state or federal court in the State of New York, provided that any series of Notes may

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specify other jurisdictions as to which the Issuer may consent to the nonexclusive jurisdiction of its courts with respect to such series of Notes.

SECTION 13.7 COUNTERPARTS. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 13.8 CONCERNING THE DELAWARE TRUSTEE. It is expressly understood and agreed by the parties that (a) this Indenture is executed and delivered by Wilmington Trust Company, not individually or personally, but solely as Delaware Trustee, in the exercise of the powers and authority conferred and vested in it, pursuant to the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company but is made and intended for the purpose of binding only the Issuer, (c) nothing contained herein shall be construed as creating any liability on Wilmington Trust Company individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, and (d) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Issuer generally or with respect to any series of the Issuer or be liable for any breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Indenture or any other related documents; provided, however, that such waiver shall not affect the liability of Wilmington Trust Company (or any entity acting as successor or additional trustee) to any Person under any other agreement to the extent expressly agreed to in its individual capacity under the Trust Agreement.

SECTION 13.9 EFFECT OF HEADINGS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 13.10 TRUST INDENTURE ACT TO CONTROL. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with any duties under any required provision of the Trust Indenture Act imposed hereon by Section 318(c) thereof (each, an "INCORPORATED PROVISION"), such incorporated provision shall control.

SECTION 13.11 JUDGMENT CURRENCY. The Issuer agrees, to the fullest extent that it may effectively do so under applicable law, that:

- (a) if for the purposes of obtaining judgment in any court it is necessary to convert the sum due in respect of the Notes of any series in the Specified Currency into a currency in which a judgment will be rendered (the "JUDGMENT CURRENCY"), the rate of

exchange used (the "REQUIRED RATE OF EXCHANGE") shall be the rate at which in accordance with normal banking procedures the Indenture Trustee could purchase in The City of New York the Specified Currency with the Judgment Currency on the date on which final unappealable judgment is entered, unless such day is not a New York Banking Day, then, to the extent permitted by applicable law, the rate of exchange used shall be the rate at which in accordance with

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normal banking procedures the Indenture Trustee could purchase in The City of New York the Specified Currency with the Judgment Currency on the New York Banking Day preceding the day on which final unappealable judgment is entered;

- (b) its obligations under this Indenture to make payments in the Specified Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Specified Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Specified Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Specified Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Specified Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture; and
- (c) it shall indemnify the Holder or Holders of any Note against any loss incurred as a result of any variation between:
  - (i) the rate of exchange at which the Specified Currency amount is actually converted into the Judgment Currency for the purpose of that judgment or order; and
  - (ii) the Required Rate of Exchange.

For purposes of this Section, "NEW YORK BANKING DAY" means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or required by law or executive order to close.

#### ARTICLE 14 SECURITY INTEREST

##### SECTION 14.1 SECURITY INTEREST.

- (a) To secure the full and punctual payment of the Obligations with respect to each series of Notes in accordance with the terms thereof and to secure the performance of the Issuer's obligations under such Notes and this Indenture, the Issuer hereby pledges and collaterally assigns to and with the Indenture Trustee for the benefit of each Holder of each Note of such series and any other Person for whose benefit the Indenture Trustee is holding the applicable series Collateral, and will grant to the Indenture Trustee for the benefit of each Holder of each such Note and any other Person for whose benefit the Indenture Trustee is holding the applicable series Collateral, a security interest in the series Collateral specified in each applicable Note Certificate or in the applicable Supplemental Indenture as securing the Obligations with respect to such series of Notes,

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and all of the rights and privileges of the Issuer with respect to the applicable series of the Issuer in and to such series Collateral (collectively for each such series of Notes, the "SECURITY INTEREST" for such series of Notes and for all series of Notes, the "SECURITY INTERESTS"), in each case effective as of the Issue Date of the applicable Notes.

- (b) It is expressly agreed that anything therein contained to the contrary notwithstanding, the Issuer shall remain liable under each Funding Agreement to perform all the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Indenture Trustee shall not have

any obligations or liabilities by reason of or arising out of this Indenture, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any obligations of the Issuer under or pursuant to such Funding Agreement or to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by it, or, prior to the occurrence and continuance of an Event of Default, to present or file any claim, or to take any action to collect or enforce the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

- (c) The Indenture Trustee acknowledges the grant of each Security Interest upon the issuance of each series of Notes to which it relates, accepts the trusts hereunder in accordance with the provisions hereof and agrees to perform its duties herein to the end that the interests of each Holder of the Notes of such series and any other Person for whose benefit the Indenture Trustee is holding the applicable series Collateral may be adequately and effectively protected.

SECTION 14.2 REPRESENTATIONS AND WARRANTIES. The Issuer represents and warrants (which representations and warranties shall be deemed to have been repeated as of the date of any Note Certificate or indenture or indentures supplemental hereto that establishes the terms of any series of Notes hereunder) as follows:

- (a) The Issuer owns or, prior to the issuance of the Notes of any series it will own, each Funding Agreement that secures the Obligations with respect to such series and all of the rest of the Collateral, free and clear of any Liens other than the Security Interest in such Collateral.
- (b) The Issuer has not performed any acts which might prevent the Indenture Trustee from enforcing any of the terms of this Indenture or which would limit the Indenture Trustee in any such enforcement. Other than financing statements or other similar or equivalent documents or instruments with respect to each Security Interest, no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a Lien on such Collateral. No Collateral is in the possession of any Person

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(other than the Issuer or its agent) asserting any claim thereto or security interest therein, except that the Indenture Trustee or its designee may have possession of Collateral as contemplated hereby.

- (c) Each Security Interest constitutes a valid security interest securing the Obligations. When (i) the financing statements shall have been filed in the appropriate offices in Illinois, Delaware and New York, (ii) the Indenture Trustee or its agent shall have taken possession of each applicable Funding Agreement, (iii) the Issuer shall have pledged and collaterally assigned each applicable Funding Agreement to the Indenture Trustee and given written notice to the Funding Agreement Provider of each such assignment to the Indenture Trustee and (iv) the Funding Agreement Provider shall have given its express written consent to such pledge and collateral assignment and affirmed in writing that the Funding Agreement Provider has changed its books and records to reflect such pledge and collateral assignment to the Indenture Trustee, such Security Interest shall constitute a first priority perfected security interest in the Collateral, enforceable against the Issuer, the Issuer's creditors and any purchaser from the Issuer.

SECTION 14.3 FURTHER ASSURANCES; COVENANTS.

- (a) The Issuer will not change its name, identity or organizational structure in any manner unless it shall have given the Indenture Trustee at least 30 days' prior notice thereof. The Issuer will not change the location of its chief executive office or chief place of business unless it shall have given the Indenture Trustee at least 30 days' prior notice thereof.
- (b) The Issuer will, from time to time and upon advice of counsel, at the Issuer's expense, execute, deliver, file and record any

statement, assignment, instrument, document, agreement or other paper and take any other action, (including, without limitation, any filings of financing or continuation statements) that from time to time may be necessary or desirable, or that the Indenture Trustee may reasonably request, in order to create, preserve, perfect, confirm or validate a Security Interest or to enable the Holders of Notes to obtain the full benefits of this Indenture, or to enable the Indenture Trustee to exercise and enforce any of its rights, powers and remedies hereunder with respect to any Collateral. To the extent permitted by applicable law, the Issuer hereby authorizes the Indenture Trustee to execute and file financing statements or continuation statements without the Issuer's signature appearing thereon. The Issuer agrees that a carbon, photographic, photostatic or other reproduction of this Indenture or of a financing statement is sufficient as a financing statement. The Issuer shall pay the costs of, or incidental to, any recording or filing of any financing or continuation statements concerning any Collateral.

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- (c) If any Collateral is at any time in the possession or control of any warehouseman, bailee or any of the Issuer's agents or processors, the Issuer shall notify such warehouseman, bailee, agent or processor of the Security Interest created hereby and to hold all such Collateral for the Indenture Trustee's account subject to the Indenture Trustee's instructions.
- (d) The Issuer will, promptly upon request, provide to the Indenture Trustee all information and evidence it may reasonably request concerning Collateral to enable the Indenture Trustee to enforce the provisions of this Indenture.
- (e) Not more than six months nor less than 30 days prior to each date on which the Issuer proposes to take any action contemplated by Section 14.3(a), the Issuer shall, at its cost and expense, cause to be delivered to the Indenture Trustee an Opinion of Counsel, satisfactory to the Indenture Trustee, to the effect that all financing statements and amendments or supplements thereto, continuation statements and other documents required to be recorded or filed in order to perfect and protect the Security Interest for a period, specified in such opinion, continuing until a date not earlier than eighteen months from the date of such opinion, against all creditors of and purchasers from the Issuer have been filed in each filing office necessary for such purpose and that all filing fees and taxes, if any, payable in connection with such filings have been paid in full.
- (f) From time to time upon request by the Indenture Trustee, the Issuer shall, at its cost and expense, cause to be delivered to the Indenture Trustee an Opinion of Counsel satisfactory to the Indenture Trustee as to such matters relating to the Security Interest as the Indenture Trustee or the Holder or Holders of not less than a majority in aggregate principal amount of the Notes then Outstanding may reasonably request.

SECTION 14.4 GENERAL AUTHORITY. The Issuer hereby irrevocably appoints the Indenture Trustee its true and lawful attorney, with full power of substitution, in the name of the Issuer, the Indenture Trustee, the Holders of Notes or otherwise, for the sole use and benefit of the Holders of Notes, but at the Issuer's expense, to the extent permitted by law to exercise, at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

- (a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof,
- (b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto,
- (c) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if the Indenture Trustee were the absolute owner thereof, and

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- (d) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

PROVIDED that the Indenture Trustee shall give the Issuer not less than 10 days' prior notice of the time and place of any sale or other intended disposition of any of the Collateral, except any part of the Collateral which threatens to decline speedily in value or is of a type customarily sold on a recognized market.

SECTION 14.5 REMEDIES UPON EVENT OF DEFAULT. If any Event of Default has occurred and is continuing, the Indenture Trustee may exercise on behalf of the Holders of the Notes all rights of a secured party under applicable law and, in addition, the Indenture Trustee may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, (i) apply all cash, if any, then held by it as all or part of the Collateral as specified in Section 5.3 and (ii) if there shall be no such cash or if such cash shall be insufficient to pay all the Obligations in full, sell the Collateral (including each applicable Funding Agreement) or any part thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as the Indenture Trustee may deem satisfactory. Any Holder may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale). The Issuer will execute and deliver such documents and take such other action as the Indenture Trustee deems necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Indenture Trustee shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of the Issuer which may be waived, and the Issuer, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice (if any) of such sale shall (A) in the case of a public sale, state the time and place fixed for such sale, and (B) in the case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Indenture Trustee may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as the Indenture Trustee may determine. The Indenture Trustee shall not be obligated to make any such sale pursuant to any such notice. The Indenture Trustee may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In the case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Indenture Trustee until the selling price is paid by the purchaser thereof, but the Indenture Trustee shall not incur any liability in the case of the failure of such purchaser to take up and pay for the Collateral so sold and, in the case of any such failure, such Collateral may again be sold upon like notice. The Indenture Trustee, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose a Security Interest and sell any Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

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SECTION 14.6 LIMITATION ON DUTIES OF INDENTURE TRUSTEE WITH RESPECT TO COLLATERAL. Beyond the exercise of reasonable care in the custody thereof, the Indenture Trustee shall have no duty as to any portion of the Collateral in its possession or control or in the possession or control of any agent or bailee or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Indenture Trustee shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Indenture Trustee in good faith.

SECTION 14.7 CONCERNING THE INDENTURE TRUSTEE. In furtherance and not in derogation of the rights, privileges and immunities of the Indenture Trustee herein specified:

- (a) The Indenture Trustee is authorized to take all such action as is provided to be taken by it as Indenture Trustee under this Article and all other action reasonably incidental thereto. As to any matters not expressly provided for herein (including, without limitation, the timing and methods of realization upon any Collateral) the Indenture Trustee shall act or refrain from acting in accordance with written instructions from the Holder or Holders of the required percentage of aggregate principal amount

of Notes for any instructions or, in the absence of such instructions, in accordance with its discretion.

- (b) The Indenture Trustee shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interest in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder.

SECTION 14.8 TERMINATION OF SECURITY INTEREST. Upon the repayment in full of all Obligations relating to a series of Notes, the Security Interest shall terminate and all rights to the Collateral relating to such series shall revert to the Issuer. Upon any such termination of a Security Interest, and delivery of a certificate by the Issuer to such effect, the Indenture Trustee will, at the expense of the Issuer, execute and deliver to the Issuer such documents as the Issuer shall reasonably request to evidence the termination of the Security Interest.

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IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first above written.

ALLSTATE LIFE GLOBAL FUNDING, acting hereunder with respect to each series of the Trust

By: Wilmington Trust Company, not in its individual capacity but solely as Delaware Trustee

By: ----- Name: Title:

BANK ONE, NATIONAL ASSOCIATION

By: ----- Name: Title:

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EXHIBIT A-1

FORM OF GLOBAL SECURITY

[FACE OF NOTE].

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

this note is a global security within the meaning of the indenture hereinafter referred to and is registered in the name of a depository or a nominee thereof. this security may not be exchanged in whole or in part for a security registered, and no transfer of this security in whole or in part may be registered, in the name of any person other than such depository or a nominee thereof, except in the limited circumstances described in the indenture.

REGISTERED NO. \_\_\_\_\_ CUSIP NO. \_\_\_\_\_

Principal Amount: \$ \_\_\_\_\_

(or principal amount of foreign or composite currency)



Interest Rate: \_\_\_\_\_  
Issue Date: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Interest Payment Date(s): \_\_\_\_\_  
Redemption Provisions: \_\_\_\_\_  
Repayment Provisions: \_\_\_\_\_  
Survivor's Option: \_\_\_\_\_

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ALLSTATE LIFE GLOBAL FUNDING

For value received, ALLSTATE LIFE GLOBAL FUNDING, a statutory trust organized in series under the laws of the State of Delaware (hereinafter called the "Trust"), hereby promises to pay to Cede & Co., or registered assigns, at the Corporate Trust Office of the Indenture Trustee or such other office as may be designated pursuant to the Indenture, the principal amount stated above on the Maturity Date stated above, in such coin or currency stated above, to pay interest thereon at the Interest Rate per annum stated above (on the basis of a 360 day year of twelve 30 day months), in like coin or currency, on the Interest Payment Date(s) set forth above and on the Maturity Date (or on the date of redemption or repayment by the Trust prior to maturity pursuant to mandatory or optional redemption provisions, in each case if provided for above, in any Note Certificate or in a Supplemental Indenture) and to pay such other amounts due and owing with respect to this Note. The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the Indenture referred to below, be paid to the person in whose name this Note is registered (i) if such Interest Payment Date occurs on the 15th day of a month, at the close of business on the first day (whether or not a Business Day) of the calendar month in which such Interest Payment Date occurs, (ii) if such Interest Payment Date occurs on the first day of a month, at the close of business on the 15th day (whether or not a Business Day) of the calendar month preceding the month in which such Interest Payment Date occurs, or (iii) if such Interest Payment Date occurs on any day other than the first or 15th day of the month, at the close of business on the 15th day (whether or not a Business Day) preceding such Interest Payment Date; provided that, notwithstanding the foregoing clauses (i), (ii) and (iii), the Regular Interest Record Date with respect to the final Interest Payment Date will be the final Interest Payment Date. Unless otherwise provided for in the Indenture, at the option of the Trust, any interest, Additional Amounts or other amounts due and owing with respect to this Note may be paid by check to the registered Holder hereof entitled thereto at his last address as it appears on the registry books, and principal may be paid by check to the registered Holder hereof or other person entitled thereto against surrender of this Note.

Each payment of interest on a Note shall include accrued interest from and including the Issue Date or from and including the last day in respect of which interest has been paid (or duly provided for), as the case may be, to, but excluding, the Interest Payment Date or the day to which the principal hereof has been paid (or duly provided for), as the case may be.

Additional Amounts shall be payable if so provided in this Note or any Supplemental Indenture applicable to this Note.

This Global Security is one of a duly authorized issue of Notes of the Trust all issued or to be issued under and pursuant to an indenture dated as of - - (the "Indenture") duly executed by the Trust and Bank One, National Association (together with any successor thereto, called the "Indenture Trustee"), to which Indenture and all Supplemental Indentures thereto, reference is hereby made for a description of the rights, duties and immunities thereunder of the Indenture Trustee and the rights thereunder of the Holders of the Notes.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become,

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due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Trust and the Indenture Trustee, without the consent of any Holder, to execute Supplemental

Indentures for limited purposes.

The Indenture also contains provisions permitting the Trust and the Indenture Trustee, with the consent of the Holders of not less than 66<sup>2</sup>/<sub>3</sub>% in aggregate principal amount of all affected series of Notes at the time Outstanding, evidenced as in the Indenture provided, to execute Supplemental Indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or modifying in any manner the rights of the Holders of the Notes; provided, that no such Supplemental Indenture shall (i) extend the final maturity of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest or any other amount payable thereon, without the consent of the Holder of each Note so affected, (ii) permit the creation of any Lien on the Collateral or any part thereof (other than a Security Interest in favor of the Indenture Trustee on behalf of the Holders) or terminate the Security Interest as to any part of the Collateral, except as permitted by the Indenture, or (iii) reduce the aforesaid percentage of Notes, the consent of the Holders of which is required for any Supplemental Indenture, without the consent of the Holder of each Outstanding Note so affected.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Trust, which is absolute and unconditional, to pay the principal of, interest on, or any other amount due and owing with respect to, this Note at the places, at the respective times, at the rate, and in the coin or currency, herein prescribed.

Upon due presentment for registration of transfer of this Global Security at the Corporate Trust Office of the Indenture Trustee located in the Borough of Manhattan, the City of New York, a new Global Security for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

The Trust and the Indenture Trustee may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing thereon), for the purpose of receiving payment of or on account of the principal of, any premium on, and (subject to Section 8.4 of the Indenture) interest on, and any Additional Amounts with respect to, this Note and for all other purposes, and neither the Trust nor the Indenture Trustee shall be affected by any notice to the contrary.

No recourse under or upon any obligation, covenant or agreement of the Trust in the Indenture or any Supplemental Indenture thereto or in any Note, or because of any indebtedness evidenced thereby, shall be had against any incorporator, or against any past, present or future stockholder, officer or director, as such, of the Trust or of any successor corporation, either directly or through the Trust or any successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such personal liability of every incorporator,

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stockholder, officer and director, as such, being expressly waived and released by the acceptance hereof and as a condition of and as part of the consideration for the issuance of this Note.

Under certain circumstances described in the Indenture, the Trust will issue Notes represented by Definitive Securities in exchange for the Global Securities. In such event, an owner of a beneficial interest in the Global Securities will be entitled to have Notes equal in aggregate principal amount to such beneficial interests registered in its name and will be entitled to physical delivery of such Notes represented by Definitive Securities. Notes so issued as Definitive Securities will be issued as registered Notes without coupons in denominations of at least \$1,000 or any amount in excess thereof that is an integral multiple of \$1,000.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the Trust's ownership of and security interest in the Funding Agreements or remedies under the Indenture in respect thereof may be governed by the laws of a jurisdiction other than the State of New York. All judicial proceedings brought against the Trust or the Indenture Trustee arising out of or relating to the Indenture, this Note or any portion of the Collateral or other assets of the Trust may be brought in any state or federal court in the State of New York.

Capitalized terms used herein without definition and which are defined in the Indenture shall have the respective meanings assigned thereto in the

Indenture.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Indenture Trustee under the Indenture.

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WITNESS THE SEAL OF THE TRUST AND THE SIGNATURE OF ITS DULY AUTHORIZED OFFICER.

ALLSTATE LIFE GLOBAL FUNDING

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title

[SEAL]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THIS IS ONE OF THE NOTES DESCRIBED IN THE WITHIN-MENTIONED INDENTURE.

-----  
AS TRUSTEE

By: \_\_\_\_\_  
Authorized Officer

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ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

\_\_\_\_\_.

Please print or typewrite name and address including postal zip code of assignee:

\_\_\_\_\_  
\_\_\_\_\_

the within Note of ALLSTATE LIFE GLOBAL FUNDING and hereby does irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said Note on the books of the within-mentioned Trust, with full power of substitution in the premises.

Dated: \_\_\_\_\_

SIGN HERE \_\_\_\_\_ NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THIS GLOBAL NOTE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

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EXHIBIT A-2

FORM OF DEFINITIVE SECURITY

[FACE OF NOTE].

ALLSTATE LIFE GLOBAL FUNDING  
SENIOR SECURED MEDIUM TERM NOTE

NO. \_\_\_\_\_

CUSIP NO. \_\_\_\_\_

Principal Amount: \$ \_\_\_\_\_

(or principal amount of foreign or composite currency)

Interest Rate: \_\_\_\_\_  
Issue Date: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Interest Payment Date(s): \_\_\_\_\_  
Redemption Provisions: \_\_\_\_\_  
Repayment Provisions: \_\_\_\_\_  
Survivor's Option: \_\_\_\_\_

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For value received, ALLSTATE LIFE GLOBAL FUNDING, a statutory trust organized in series under the laws of the State of Delaware (hereinafter called the "Trust"), hereby promises to pay to [\_\_\_\_\_], or registered assigns, at the Corporate Trust Office of the Indenture Trustee or such other office as may be designated pursuant to the Indenture, the principal amount stated above on the Maturity Date stated above, in such coin or currency stated above, to pay interest thereon at the Interest Rate per annum stated above (on the basis of a 360 day year of twelve 30 day months), in like coin or currency, on the Interest Payment Date(s) set forth above and on the Maturity Date (or on the date of redemption or repayment by the Trust prior to maturity pursuant to mandatory or optional redemption provisions, in each case if provided for above, in any Note Certificate or in a Supplemental Indenture) and to pay such other amounts due and owing with respect to this Note.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which provisions shall have the same effect as if set forth hereon.

IN WITNESS WHEREOF, the Trust has caused this Note to be signed manually or by facsimile by its duly authorized officer.

Date: ALLSTATE LIFE GLOBAL FUNDING

By: \_\_\_\_\_  
Name:  
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Indenture.

BANK ONE, NATIONAL ASSOCIATION, as  
Indenture Trustee

By: \_\_\_\_\_  
Name:  
Title:

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[REVERSE SIDE OF NOTE]

ALLSTATE LIFE GLOBAL FUNDING  
SENIOR SECURED MEDIUM TERM NOTE

The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the Indenture referred to below, be paid to the person in whose name this Note is registered (i) if such Interest Payment Date occurs on the 15th day of a month, at the close of business on the first day (whether or not a Business Day) of the calendar month in which such Interest Payment Date occurs, (ii) if such Interest Payment Date occurs on the first day of a month, at the close of business on the 15th day (whether or not a Business Day) of the calendar month preceding the month in which such Interest Payment Date occurs, or (iii) if such Interest Payment Date occurs on any day other than the first or 15th day of the month, at the close of business on the 15th day (whether or not a Business Day) preceding such Interest Payment Date; provided that, notwithstanding the foregoing clauses (i), (ii) and (iii), the Regular

Interest Record Date with respect to the final Interest Payment Date will be the final Interest Payment Date. Unless otherwise provided for in the Indenture, at the option of the Trust, any interest, Additional Amounts or other amounts due and owing with respect to this Note may be paid by check to the registered Holder hereof entitled thereto at his last address as it appears on the registry books, and principal may be paid by check to the registered Holder hereof or other person entitled thereto against surrender of this Note.

Each payment of interest on a Note shall include accrued interest from and including the Issue Date or from and including the last day in respect of which interest has been paid (or duly provided for), as the case may be, to, but excluding, the Interest Payment Date or the day to which the principal hereof has been paid (or duly provided for), as the case may be.

Additional Amounts shall be payable if so provided in this Note or any Supplemental Indenture applicable to this Note.

This Definitive Security is one of a duly authorized issue of Notes of the Trust all issued or to be issued under and pursuant to an indenture dated as of - (the "Indenture") duly executed by the Trust and Bank One, National Association (together with any successor thereto, called the "Indenture Trustee"), to which Indenture and all Supplemental Indentures thereto, reference is hereby made for a description of the rights, duties and immunities thereunder of the Indenture Trustee and the rights thereunder of the Holders of the Notes.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Trust and the Indenture Trustee, without the consent of any Holder, to execute Supplemental Indentures for limited purposes.

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The Indenture also contains provisions permitting the Trust and the Indenture Trustee, with the consent of the Holders of not less than 66 $\frac{2}{3}$ % in aggregate principal amount of all affected series of Notes at the time Outstanding, evidenced as in the Indenture provided, to execute Supplemental Indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or modifying in any manner the rights of the Holders of the Notes; provided, that no such Supplemental Indenture shall (i) extend the final maturity of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest or any other amount payable thereon, without the consent of the Holder of each Note so affected, (ii) permit the creation of any Lien on the Collateral or any part thereof (other than a Security Interest in favor of the Indenture Trustee on behalf of the Holders) or terminate the Security Interest as to any part of the Collateral, except as permitted by the Indenture, or (iii) reduce the aforesaid percentage of Notes, the consent of the Holders of which is required for any Supplemental Indenture, without the consent of the Holder of each Outstanding Note so affected.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Trust, which is absolute and unconditional, to pay the principal of, interest on, or any other amount due and owing with respect to, this Note at the places, at the respective times, at the rate, and in the coin or currency, herein prescribed.

Upon due presentment for registration of transfer of this Definitive Security at the Corporate Trust Office of the Indenture Trustee located in the Borough of Manhattan, the City of New York, a new Definitive Security for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

The Trust and the Indenture Trustee may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing thereon), for the purpose of receiving payment of or on account of the principal of, any premium on, and (subject to Section 8.4 of the Indenture) interest on, and any Additional Amounts with respect to, this Note and for all other purposes, and neither the Trust nor the Indenture Trustee shall be affected by any notice to the contrary.

No recourse under or upon any obligation, covenant or agreement of the Trust in the Indenture or any Supplemental Indenture thereto or in any Note, or because of any indebtedness evidenced thereby, shall be had against any incorporator, or against any past, present or future stockholder, officer or

director, as such, of the Trust or of any successor corporation, either directly or through the Trust or any successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such personal liability of every incorporator, stockholder, officer and director, as such, being expressly waived and released by the acceptance hereof and as a condition of and as part of the consideration for the issuance of this Note.

Under certain circumstances described in the Indenture, the Trust will issue Notes represented by Global Securities in exchange for the Definitive Securities. In such event, an owner of a beneficial interest in the Definitive Securities will be entitled to have Notes equal in

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aggregate principal amount to such beneficial interests registered in its name and will be entitled to physical delivery of such Notes represented by Definitive Securities. Notes so issued as Definitive Securities will be issued as registered Notes without coupons in denominations of at least \$1,000 or any amount in excess thereof that is an integral multiple of \$1,000.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the Trust's ownership of and security interest in the Funding Agreements or remedies under the Indenture in respect thereof may be governed by the laws of a jurisdiction other than the State of New York. All judicial proceedings brought against the Trust or the Indenture Trustee arising out of or relating to the Indenture, this Note or any portion of the Collateral or other assets of the Trust may be brought in any state or federal court in the State of New York.

Capitalized terms used herein without definition and which are defined in the Indenture shall have the respective meanings assigned thereto in the Indenture.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Indenture Trustee under the Indenture.

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#### ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto  
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

\_\_\_\_\_.

Please print or typewrite name and address including postal zip code of  
assignee:

\_\_\_\_\_

\_\_\_\_\_

the within Note of ALLSTATE LIFE GLOBAL FUNDING and hereby does irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said Note on the books of the within-mentioned Trust, with full power of substitution in the premises.

Dated: \_\_\_\_\_

SIGN HERE NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THIS NOTE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

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EXHIBIT B

#### FORM OF CERTIFICATE OF AUTHENTICATION

This Note Certificate is one of the Note Certificates representing Notes described in the within-mentioned Indenture and is being issued in accordance with Section 2.5(f) of the Indenture.

BANK ONE, NATIONAL ASSOCIATION,  
As Indenture Trustee

By: \_\_\_\_\_  
Authorized Signatory

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## FORM OF GLOBAL SECURITY

[FACE OF NOTE]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

REGISTERED NO. \_\_\_\_\_ CUSIP NO. \_\_\_\_\_

Principal Amount: \$ \_\_\_\_\_  
(or principal amount of foreign or composite currency)

Interest Rate: \_\_\_\_\_

Issue Date: \_\_\_\_\_

Maturity Date: \_\_\_\_\_

Interest Payment Date(s): \_\_\_\_\_

Redemption Provisions: \_\_\_\_\_

Repayment Provisions: \_\_\_\_\_

Survivor's Option: \_\_\_\_\_

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## ALLSTATE LIFE GLOBAL FUNDING

For value received, ALLSTATE LIFE GLOBAL FUNDING, a statutory trust organized in series under the laws of the State of Delaware (hereinafter called the "Trust"), hereby promises to pay to Cede & Co., or registered assigns, at the Corporate Trust Office of the Indenture Trustee or such other office as may be designated pursuant to the Indenture, the principal amount stated above on the Maturity Date stated above, in such coin or currency stated above, to pay interest thereon at the Interest Rate per annum stated above (on the basis of a 360 day year of twelve 30 day months), in like coin or currency, on the Interest Payment Date(s) set forth above and on the Maturity Date (or on the date of redemption or repayment by the Trust prior to maturity pursuant to mandatory or optional redemption provisions, in each case if provided for above, in any Note Certificate or in a Supplemental Indenture) and to pay such other amounts due and owing with respect to this Note. The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the Indenture referred to below, be paid to the person in whose name this Note is registered (i) if such Interest Payment Date occurs on the 15th day of a month, at the close of business on the first day (whether or not a Business Day) of the calendar month in which such Interest Payment Date occurs, (ii) if such Interest Payment Date occurs on the first day of a month, at the close of business on the 15th day (whether or not a Business Day) of the calendar month preceding the month in which such Interest Payment Date occurs, or (iii) if such Interest Payment Date occurs on any day other than the first or 15th day of the month, at the close of business on the 15th day (whether or not a Business Day) preceding such Interest Payment Date; provided that, notwithstanding the foregoing clauses (i), (ii) and (iii), the Regular Interest Record Date with respect to the final Interest Payment Date will be the final Interest Payment Date. Unless otherwise provided for in the Indenture, at the option of the Trust, any interest, Additional Amounts or other amounts due and owing with respect to this Note may be paid by check to the registered Holder hereof entitled thereto at his last address as it appears on the registry books, and principal may be paid by check to the registered Holder hereof or other person entitled thereto against surrender of this Note.



Each payment of interest on a Note shall include accrued interest from and including the Issue Date or from and including the last day in respect of which interest has been paid (or duly provided for), as the case may be, to, but excluding, the Interest Payment Date or the day to which the principal hereof has been paid (or duly provided for), as the case may be.

Additional Amounts shall be payable if so provided in this Note or any Supplemental Indenture applicable to this Note.

This Global Security is one of a duly authorized issue of Notes of the Trust all issued or to be issued under and pursuant to an indenture dated as of - - (the "Indenture") duly executed by the Trust and Bank One, National Association (together with any successor thereto, called the "Indenture Trustee"), to which Indenture and all Supplemental Indentures thereto, reference is hereby made for a description of the rights, duties and immunities thereunder of the Indenture Trustee and the rights thereunder of the Holders of the Notes.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become,

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due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Trust and the Indenture Trustee, without the consent of any Holder, to execute Supplemental Indentures for limited purposes.

The Indenture also contains provisions permitting the Trust and the Indenture Trustee, with the consent of the Holders of not less than 66 2/3% in aggregate principal amount of all affected series of Notes at the time Outstanding, evidenced as in the Indenture provided, to execute Supplemental Indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or modifying in any manner the rights of the Holders of the Notes; provided, that no such Supplemental Indenture shall (i) extend the final maturity of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest or any other amount payable thereon, without the consent of the Holder of each Note so affected, (ii) permit the creation of any Lien on the Collateral or any part thereof (other than a Security Interest in favor of the Indenture Trustee on behalf of the Holders) or terminate the Security Interest as to any part of the Collateral, except as permitted by the Indenture, or (iii) reduce the aforesaid percentage of Notes, the consent of the Holders of which is required for any Supplemental Indenture, without the consent of the Holder of each Outstanding Note so affected.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Trust, which is absolute and unconditional, to pay the principal of, interest on, or any other amount due and owing with respect to, this Note at the places, at the respective times, at the rate, and in the coin or currency, herein prescribed.

Upon due presentment for registration of transfer of this Global Security at the Corporate Trust Office of the Indenture Trustee located in the Borough of Manhattan, the City of New York, a new Global Security for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

The Trust and the Indenture Trustee may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing thereon), for the purpose of receiving payment of or on account of the principal of, any premium on, and (subject to Section 8.4 of the Indenture) interest on, and any Additional Amounts with respect to, this Note and for all other purposes, and neither the Trust nor the Indenture Trustee shall be affected by any notice to the contrary.

No recourse under or upon any obligation, covenant or agreement of the Trust in the Indenture or any Supplemental Indenture thereto or in any Note, or because of any indebtedness evidenced thereby, shall be had against any incorporator, or against any past, present or future stockholder, officer or director, as such, of the Trust or of any successor corporation, either directly or through the Trust or any successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such personal liability of every incorporator,

stockholder, officer and director, as such, being expressly waived and released by the acceptance hereof and as a condition of and as part of the consideration for the issuance of this Note.

Under certain circumstances described in the Indenture, the Trust will issue Notes represented by Definitive Securities in exchange for the Global Securities. In such event, an owner of a beneficial interest in the Global Securities will be entitled to have Notes equal in aggregate principal amount to such beneficial interests registered in its name and will be entitled to physical delivery of such Notes represented by Definitive Securities. Notes so issued as Definitive Securities will be issued as registered Notes without coupons in denominations of at least \$1,000 or any amount in excess thereof that is an integral multiple of \$1,000.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the Trust's ownership of and security interest in the Funding Agreements or remedies under the Indenture in respect thereof may be governed by the laws of a jurisdiction other than the State of New York. All judicial proceedings brought against the Trust or the Indenture Trustee arising out of or relating to the Indenture, this Note or any portion of the Collateral or other assets of the Trust may be brought in any state or federal court in the State of New York.

Capitalized terms used herein without definition and which are defined in the Indenture shall have the respective meanings assigned thereto in the Indenture.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Indenture Trustee under the Indenture.

WITNESS THE SEAL OF THE TRUST AND THE SIGNATURE OF ITS DULY AUTHORIZED OFFICER.

ALLSTATE LIFE GLOBAL FUNDING

Date: -----

By: -----  
Title

[SEAL]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THIS IS ONE OF THE NOTES DESCRIBED IN THE WITHIN-MENTIONED INDENTURE.

-----  
AS TRUSTEE

By: -----  
Authorized Officer

ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

\_\_\_\_\_.

Please print or typewrite name and address including postal zip code of assignee:

\_\_\_\_\_

---

the within Note of ALLSTATE LIFE GLOBAL FUNDING and hereby does irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said Note on the books of the within-mentioned Trust, with full power of substitution in the premises.

Dated: \_\_\_\_\_

SIGN HERE \_\_\_\_\_ NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THIS GLOBAL NOTE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

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FORM OF DEFINITIVE SECURITY

[FACE OF NOTE]

ALLSTATE LIFE GLOBAL FUNDING  
SENIOR SECURED MEDIUM TERM NOTE

NO. \_\_\_\_\_

CUSIP NO. \_\_\_\_\_

Principal Amount: \$ \_\_\_\_\_  
(or principal amount of foreign or composite currency)

Interest Rate: \_\_\_\_\_

Issue Date: \_\_\_\_\_

Maturity Date: \_\_\_\_\_

Interest Payment Date(s): \_\_\_\_\_

Redemption Provisions: \_\_\_\_\_

Repayment Provisions: \_\_\_\_\_

Survivor's Option: \_\_\_\_\_

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For value received, ALLSTATE LIFE GLOBAL FUNDING, a statutory trust organized in series under the laws of the State of Delaware (hereinafter called the "Trust"), hereby promises to pay to [\_\_\_\_\_], or registered assigns, at the Corporate Trust Office of the Indenture Trustee or such other office as may be designated pursuant to the Indenture, the principal amount stated above on the Maturity Date stated above, in such coin or currency stated above, to pay interest thereon at the Interest Rate per annum stated above (on the basis of a 360 day year of twelve 30 day months), in like coin or currency, on the Interest Payment Date(s) set forth above and on the Maturity Date (or on the date of redemption or repayment by the Trust prior to maturity pursuant to mandatory or optional redemption provisions, in each case if provided for above, in any Note Certificate or in a Supplemental Indenture) and to pay such other amounts due and owing with respect to this Note.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which provisions shall have the same effect as if set forth hereon.

IN WITNESS WHEREOF, the Trust has caused this Note to be signed manually or by facsimile by its duly authorized officer.

Date: ALLSTATE LIFE GLOBAL FUNDING

By: \_\_\_\_\_  
Name:  
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Indenture.

BANK ONE, NATIONAL ASSOCIATION,  
as Indenture Trustee

By: \_\_\_\_\_  
Name:  
Title:

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[REVERSE SIDE OF NOTE]

ALLSTATE LIFE GLOBAL FUNDING

SENIOR SECURED MEDIUM TERM NOTE

The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the Indenture referred to below, be paid to the person in whose name this Note is registered (i) if such Interest Payment Date occurs on the 15th day of a month, at the close of business on the first day (whether or not a Business Day) of the calendar month in which such Interest Payment Date occurs, (ii) if such Interest Payment Date occurs on the first day of a month, at the close of business on the 15th day (whether or not a Business Day) of the calendar month preceding the month in which such Interest Payment Date occurs, or (iii) if such Interest Payment Date occurs on any day other than the first or 15th day of the month, at the close of business on the 15th day (whether or not a Business Day) preceding such Interest Payment Date; provided that, notwithstanding the foregoing clauses (i), (ii) and (iii), the Regular Interest Record Date with respect to the final Interest Payment Date will be the final Interest Payment Date. Unless otherwise provided for in the Indenture, at the option of the Trust, any interest, Additional Amounts or other amounts due and owing with respect to this Note may be paid by check to the registered Holder hereof entitled thereto at his last address as it appears on the registry books, and principal may be paid by check to the registered Holder hereof or other person entitled thereto against surrender of this Note.

Each payment of interest on a Note shall include accrued interest from and including the Issue Date or from and including the last day in respect of which interest has been paid (or duly provided for), as the case may be, to, but excluding, the Interest Payment Date or the day to which the principal hereof has been paid (or duly provided for), as the case may be.

Additional Amounts shall be payable if so provided in this Note or any Supplemental Indenture applicable to this Note.

This Definitive Security is one of a duly authorized issue of Notes of the Trust all issued or to be issued under and pursuant to an indenture dated as of - (the "Indenture") duly executed by the Trust and Bank One, National Association (together with any successor thereto, called the "Indenture Trustee"), to which Indenture and all Supplemental Indentures thereto, reference is hereby made for a description of the rights, duties and immunities thereunder of the Indenture Trustee and the rights thereunder of the Holders of the Notes.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Trust and the Indenture Trustee, without the consent of any Holder, to execute Supplemental Indentures for limited purposes.

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The Indenture also contains provisions permitting the Trust and the Indenture Trustee, with the consent of the Holders of not less than 66 2/3% in aggregate principal amount of all affected series of Notes at the time Outstanding, evidenced as in the Indenture provided, to execute Supplemental Indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or modifying in any manner the rights of the Holders of the Notes; provided, that no such Supplemental Indenture shall (i) extend the final maturity of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest or any other amount payable thereon, without the consent of the Holder of each Note so affected, (ii) permit the creation of any Lien on the Collateral or any part thereof (other than a Security Interest in favor of the Indenture Trustee on behalf of the Holders) or terminate the Security Interest as to any part of the Collateral, except as permitted by the Indenture, or (iii) reduce the aforesaid percentage of Notes, the consent of the Holders of which is required for any Supplemental Indenture, without the consent of the Holder of each Outstanding Note so affected.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Trust, which is absolute and unconditional, to pay the principal of, interest on, or any other amount due and owing with respect to, this Note at the places, at the respective times, at the rate, and in the coin or currency, herein prescribed.

Upon due presentment for registration of transfer of this Definitive Security at the Corporate Trust Office of the Indenture Trustee located in the Borough of Manhattan, the City of New York, a new Definitive Security for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

The Trust and the Indenture Trustee may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing thereon), for the purpose of receiving payment of or on account of the principal of, any premium on, and (subject to Section 8.4 of the Indenture) interest on, and any Additional Amounts with respect to, this Note and for all other purposes, and neither the Trust nor the Indenture Trustee shall be affected by any notice to the contrary.

No recourse under or upon any obligation, covenant or agreement of the Trust in the Indenture or any Supplemental Indenture thereto or in any Note, or because of any indebtedness evidenced thereby, shall be had against any incorporator, or against any past, present or future stockholder, officer or director, as such, of the Trust or of any successor corporation, either directly or through the Trust or any successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such personal liability of every incorporator, stockholder, officer and director, as such, being expressly waived and released by the acceptance hereof and as a condition of and as part of the consideration for the issuance of this Note.

Under certain circumstances described in the Indenture, the Trust will issue Notes represented by Global Securities in exchange for the Definitive Securities. In such event, an owner of a beneficial interest in the Definitive Securities will be entitled to have Notes equal in aggregate principal amount to such beneficial interests registered in its name and will be entitled

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to physical delivery of such Notes represented by Definitive Securities. Notes so issued as Definitive Securities will be issued as registered Notes without coupons in denominations of at least \$1,000 or any amount in excess thereof that is an integral multiple of \$1,000.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the Trust's ownership of and security interest in the Funding Agreements or remedies under the Indenture in respect thereof may be governed by the laws of a jurisdiction other than the State of New York. All judicial proceedings brought against the Trust or the Indenture Trustee arising out of or relating to the Indenture, this Note or any portion of the Collateral or other assets of the Trust may be brought in any state or federal court in the State of New York.

Capitalized terms used herein without definition and which are defined in the Indenture shall have the respective meanings assigned thereto in the Indenture.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Indenture Trustee under the Indenture.

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ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto  
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

\_\_\_\_\_.

Please print or typewrite name and address including postal zip code of  
assignee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

the within Note of ALLSTATE LIFE GLOBAL FUNDING and hereby does irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said Note on the books of the within-mentioned Trust, with full power of substitution in the premises.

Dated: \_\_\_\_\_

SIGN HERE \_\_\_\_\_ NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THIS NOTE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

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ALLSTATE LIFE INSURANCE COMPANY

FUNDING AGREEMENT

[FA: 00000]

ALLSTATE LIFE INSURANCE COMPANY, an Illinois insurance company ("Allstate Life"), agrees to establish a Funding Account as specified in this agreement (this "Agreement") for [ ], (the "Owner", which term shall include its permissible successors and assignees).

This Agreement is issued pursuant to an application (the "Application") by the Owner, a copy of which is attached to and made a part of this Agreement.

This Agreement is issued in and is subject to the laws of the State of Illinois.

This Agreement is executed by Allstate Life at its principal offices located at Northbrook, Illinois on [signing date], to take effect as of such date (the "Effective Date").

1. Deposit Amounts

Allstate Life agrees to accept, and the Owner agrees to pay or cause to be paid to Allstate Life, [on] [within [ ] days of] the Effective Date the amount (the "Deposit Amount") identified in the Funding Agreement Pricing Annex ("Annex") attached hereto.

2. Funding Account

Upon receipt of the Deposit Amount, Allstate Life will establish an account in the name of the Owner on its books and records (the "Funding Account") and credit such account with an amount equal to the Principal Amount (as identified in the Annex). Allstate Life is neither a trustee nor a fiduciary with respect to the Funding Account. All assets credited to the Funding Account shall be the exclusive property of Allstate Life and Allstate Life shall have the sole rights to control, manage and administer such assets. Allstate Life may commingle such assets with its other general account assets.

Allstate Life shall calculate and credit interest to the Funding Account in accordance with the terms set forth in the Annex. At the end of any day, the balance of the Funding Account (the "Funding Account Balance") shall be equal to the Principal Amount, plus any accrued interest, less any amounts previously withdrawn pursuant to the terms hereof.

3. Entire Agreement

This Agreement (including the Annex) and the Application constitute the entire contract between Allstate Life and the Owner with respect to the subject matter hereof

[FA:0205N01]

[Internal Identification Number]

except for additional terms, if any, regarding any transfers or assignments hereof made in accordance with Section 5.

4. Representations and Warranties

Each party hereto represents and warrants to the other that as of the date hereof:

- (i) it has the power to enter into this Agreement and to consummate the transactions contemplated hereby;
- (ii) this Agreement has been duly authorized, executed and delivered by the representing party;
- (iii) assuming the due authorization, execution and delivery of this Agreement by the other party, this Agreement constitutes a legal, valid and binding obligation of the representing party; and
- (iv) this Agreement is enforceable in accordance with the terms hereof,



subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject as to enforceability to general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law.

It is understood and agreed that Allstate Life makes no representation or warranty as to:

- (i) the eligibility of the Owner to enter into or own this Agreement;
- (v) any other matter regarding the Owner or any depositor, trustor, agent or holder of any interest, instrument or security of the Owner; or
- (vi) whether any payment made under this Agreement will be subject to withholding, deduction or reduction as a result of any tax or similar law or regulation.

In performing its obligations hereunder, Allstate Life is not acting as a fiduciary, agent or other representative of the Owner or anyone else. All representations and warranties made by the Owner and Allstate Life in this Agreement shall be considered to have been relied upon by the other and shall survive the execution hereof.

#### 5. Assignment of Agreement

This Agreement may not be transferred or assigned by the Owner without the express written consent of Allstate Life. Allstate Life shall maintain a record of the ownership of this Agreement as part of its books and records. Notwithstanding anything in this Agreement to the contrary, no transfer or assignment of an interest in this Agreement or any right to receive payments under this Agreement shall be effective until Allstate Life shall have affirmed in writing to the new Owner or a financial institution holding this Agreement on behalf of the new Owner that it has changed its books and records

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to reflect such transfer or assignment of an interest in this Agreement or any right to receive payments hereunder. Allstate Life covenants, and the Owner agrees, that Allstate Life will effect all transfers and assignments of this Agreement only through a book entry system maintained by Allstate Life within the meaning of Treasury Regulation Section 1.871-14 (c)(1)(i).

#### 6. Tax Treatment

Allstate Life and the Owner agree that this Agreement shall be disregarded for United States federal income tax purposes. Allstate Life and the Owner further agree that if this Agreement is not so disregarded, it will and is intended to be treated as a debt obligation of Allstate Life issued in registered form within the meaning of Treasury Regulation Section 1.871-14(c)(1)(i).

#### 7. Notice Required

Any notice, directive, certificate or other writing required by the provisions of this Agreement to be delivered to Allstate Life shall be delivered in writing by prepaid first class mail or courier or facsimile transmission to its principal office at Allstate Life Insurance Company, 3100 Sanders Road, Northbrook, Illinois 60062 [Attn: M3A]. Any notice, directive, certificate or other writing required under this Agreement to be delivered to the Owner shall be delivered in writing by prepaid first class mail or courier or facsimile transmission to the Owner at its principal place of business. Unless otherwise specified in this Agreement, any notice is effective when received.

#### 8. Authority to Bind Allstate Life

No agent has authority to change, modify or add to this Agreement or to waive any of its provisions. No change, modification, addition to, or waiver of any provision of this Agreement shall be valid as against Allstate Life unless evidenced by written modification or amendment hereto signed on behalf of Allstate Life by the President and Secretary of Allstate Life.

#### 9. Amendment and Modification

This Agreement may be amended or modified with respect to any provision

at any time and from time to time by written agreement between the Owner and Allstate Life. No such amendment or modification shall require the consent of any other person.

10. Payments to the Owner

Allstate Life shall withdraw from the Funding Account and pay to or at the direction of the Owner amounts in accordance with the terms set forth in the Annex hereto.

All payments made by Allstate Life to the Owner hereunder shall be paid in cash, in same-day, freely transferable funds on the date of payment to such account as has been specified for such purpose in writing by the Owner to Allstate Life.

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11. Additional Amounts.

All payments due to be made by Allstate Life to the Owner under the terms of this Agreement will be made without any withholding or deduction for or on account of any present or future taxes, duties, levies, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any governmental authority in the United States having the power to tax, unless such withholding or deduction is required by law. [Subject to Section 12, if any such withholding or deduction is required or if any such withholding or deduction is required under any indebtedness issued by the Owner that is secured by this Agreement, then Allstate Life will pay such additional amount ("Additional Amount") so that the net amount realized by the Owner or the holder or beneficial owner, as applicable, of such indebtedness ("Noteholder") (net of any such withholding or deduction under this Agreement or any such indebtedness) will equal the amount that would have been paid under this Agreement or any such indebtedness had no such deduction or withholding been required.

Notwithstanding anything herein to the contrary, Allstate Life shall not be required to make any payment of any Additional Amount in accordance with the first paragraph of this Section 11 for or on account of

- (i) any tax, duty, levy, assessment or other governmental charge imposed which would not have been imposed but for the existence of (i) any present or former connection between the Owner or the Noteholder and the United States, including, without limitation, being or having been a citizen or resident thereof, or having been present, having been incorporated in, having engaged in a trade or business or having (or having had) a permanent establishment or principal office therein, (ii) the Owner's or such Noteholder's status as a controlled foreign corporation for United States federal income tax purposes within the meaning of Section 957(a) of the Internal Revenue Code of 1986, as amended (the "Code") related within the meaning of Section 864(d)(4) of the Code, to Allstate Life, (iii) the Owner or such Noteholder being a bank for United States federal income tax purposes whose receipt of interest under this Agreement is described in Section 881(c)(3)(A) of the Code, (iv) the Owner or such Noteholder actually or constructively owning 10 percent or more of the total combined voting power of all classes of stock of Allstate Life entitled to vote within the meaning of Section 871(h)(3) of the Code and Treasury Regulations promulgated thereunder or (v) the Owner or such Noteholder being subject to income tax withholding or backup withholding as of the date of purchase by the Owner or such Noteholder;
- (ii) any tax, duty, levy, assessment or other governmental charge imposed which would not have been imposed but for the presentation of this Agreement or any such indebtedness referred to above (where presentation is required) for payment on a date more than 30 days after the date on which such payment becomes due and payable or the date on which payment is duly provided for,

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whichever occurs later;

- (iii) any tax, duty, levy, assessment or other governmental charge which is imposed or withheld solely by reason of the failure of the

Owner or a Noteholder to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the Owner or a Noteholder, if compliance is required by statute, by regulation, judicial or administrative interpretation, or by an applicable income tax treaty to which the United States is a party as a condition to exemption from such tax, duty, levy, assessment or other governmental charge;

- (iv) any inheritance, gift, estate, personal property, sales or transfer tax;
- (v) any tax that is payable otherwise than by withholding from payments with respect to this Agreement or any such indebtedness referred to above;
- (vi) any tax, duty, levy, assessment or other governmental charge imposed by reason of payments on this Agreement being treated as contingent interest described in Section 871(h)(4) of the Code for United States federal income tax purposes, but only to the extent such treatment was disclosed in writing to the Owner or a Noteholder, as the case may be, at the time the Owner or such Noteholder became the Owner or a Noteholder, as the case may be;
- (vii) any tax, duty, levy, assessment or other governmental charge that would not have been imposed but for an election by the Owner or a Noteholder, the effect of which is to make payment in respect of this Funding Agreement subject to United States federal income tax; or
- (viii) any combination of items (i), (ii), (iii), (iv), (v), (vi) or (vii) above.]

12. Termination of Agreement

- (a) This Agreement shall terminate and cease to be of any further force or effect at the close of the first day upon which Allstate Life and the Owner have completed all of the duties and obligations which have arisen under this Agreement.
- (b) [If Allstate Life is obligated to withhold or deduct any taxes with respect to any payment under this Agreement or pay any Additional Amount, as described in Section 11, or with respect to any related contract between Allstate Life and the Owner, or if there is a material probability that Allstate Life will become obligated to withhold or deduct any such taxes or pay any Additional Amount (in the opinion of independent counsel selected by Allstate Life), in each case pursuant to any change in or amendment to any United States tax laws (or any regulations or rulings thereunder) or any change in position of the Internal Revenue Service regarding the application or

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interpretation thereof (including, but not limited to, Allstate Life's receipt of a written adjustment from the Internal Revenue Service in connection with an audit); then Allstate Life may terminate this Agreement by giving not less than 30 and no more than 75 days prior written notice to the Owner and by paying to the Owner on the date specified in such notice the Funding Account Balance and all Additional Amounts as may be required to be paid with respect thereto pursuant to Section 11, provided that no such notice of termination may be given earlier than 90 days prior to the earliest day when Allstate Life would become obligated to pay any Additional Amount, as may be required pursuant to Section 11, if a payment in respect of this Agreement would otherwise be due on such date.]

- (c) Each of the following events shall constitute an "Event of Default" under this Agreement:
  - (i) default in the payment when due and payable of any Principal Amount; or
  - (ii) default in the payment of any interest accrued with respect to the Funding Account Balance pursuant to the provisions of this Agreement when such amounts become due and payable, and continuance of such default for a period of five Business Days; or

- (iii) Allstate Life fails, is unable, or Allstate Life admits in writing its inability, generally to pay its debts as such debts become due; or the Board of Directors of Allstate Life adopts any action to approve or for the purpose of effecting any of the actions referred to in this paragraph (iii); or
- (iv) default in the performance or breach of any one or more of the other covenants of Allstate Life herein, and continuance of such default or breach for a period of 45 days after there has been given notice thereof to Allstate Life; or
- (v) a court having jurisdiction in the premises has entered a decree or order for relief in respect of Allstate Life in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect of the United States of America or any other applicable jurisdiction which decree or order is not stayed; or any other similar relief has been granted under any applicable law; or
- (vi) an insolvency case has been commenced against Allstate Life under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect in the United States of America or any other applicable jurisdiction and such case shall not have been dismissed or

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- stayed, in each case within 45 days, or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, rehabilitator, conservator, sequestrator, trustee, custodian or other officer having similar powers over Allstate Life, or over all or a substantial part of its property, has been entered; or there has occurred the involuntary appointment of an interim receiver, trustee or other custodian of Allstate Life, for all or a substantial part of its property; or a court having jurisdiction in the premises has entered a decree or order declaring the dissolution of Allstate Life; or a warrant of attachment, execution or similar process has been issued against any substantial part of the property of Allstate Life; or
- (vii) the Director of the Illinois Department of Insurance or any other insurance supervisor having jurisdiction over Allstate Life shall have issued any order under the Illinois Insurance Code or other applicable insurance law to rehabilitate, liquidate, or conserve the assets of, or take other similar action with respect to, Allstate Life; or
- (viii) Allstate Life commences a voluntary case or other proceeding seeking liquidation, dissolution, reorganization or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect in the United States of America (or any state thereof) or any other applicable jurisdiction, or seeking the appointment of a receiver, liquidator, rehabilitator, sequestrator, conservator or other similar officer of Allstate Life or any substantial part of its property, or consents to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or consents to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Allstate Life makes any general assignment for the benefit of creditors.

If one or more Events of Default shall have occurred and be continuing (other than an Event of Default specified in any of clause (iii) through (viii) above), the Owner may, by written notice to Allstate Life, declare the Funding Account Balance to be due and payable and such amounts shall become due and payable on the date the written declaration is given to Allstate Life; provided that if an Event of Default specified in any of clauses (iii) through (viii) above occurs, the Funding Account Balance

will be automatically and immediately due and payable without any declaration or other act on the part of the Owner; provided that, without affecting the obligation of Allstate Life to repay such amounts, no such repayment shall be made in preference to other policyholders of Allstate Life.

Allstate Life will forthwith notify the Owner of the occurrence of any Event of Default.

Upon the payment to the Owner of the Funding Account Balance [and all Additional Amounts required to be paid with respect thereto pursuant to Section 11], this Agreement shall terminate.

[(d) If Allstate Life exercises its rights, at its sole option, to terminate the Funding Agreement and accelerate the payment of the Funding Account Balance in accordance with the Early Termination Rights provisions set forth in the Annex, this Agreement shall terminate upon the payment to the Owner of the Funding Account Balance [and all Additional Amounts required to be paid with respect thereto pursuant to Section 11].]

13. Supplemental Agreements [Insert if the Agreement is the Original Agreement (as defined below) to be issued]

Within six months of the date of issue of this Agreement, Allstate Life may issue to the initial Owner of this Agreement one or more additional funding agreements and may provide in any such additional funding agreement that such additional funding agreement shall constitute part of the same obligation of Allstate Life as this Agreement (any such additional funding agreement, a "Supplemental Agreement"), and such Supplemental Agreement shall be subject to the same terms and conditions as this Agreement (including those set forth in the Funding Agreement Pricing Annex), except that the Effective Date, the Deposit Amount, the Principal Amount and the amount of the first interest payment, if any, may be different with respect to such Supplemental Agreement; provided that the issuance of such Supplemental Agreement will satisfy the conditions of Treasury Regulation Section 1.1275-2(k)(2)(ii) and will constitute a "Qualified Reopening" under Treasury Regulation Section 1.1275-2(k)(3)(ii) without regard to subparagraph (A) thereof.

[insert if the Agreement is a Supplemental Agreement.] This Agreement has been issued as a supplement to Funding Agreement No. [\_\_\_] issued by Allstate Life on [\_\_\_\_\_] (the "Original Agreement") and shall constitute part of the same obligation of Allstate Life as the Original Agreement.]

[OWNER]

ALLSTATE LIFE INSURANCE COMPANY

/s/ Thomas J. Wilson

-----  
Owner

-----  
[Thomas J. Wilson  
President]

/s/ Michael J. Velotta

-----  
Signature

-----  
[Michael J. Velotta  
Secretary]

-----  
Title

This Agreement is executed on behalf of Allstate Life Insurance Company at Northbrook, Illinois.

-----  
Date

ALLSTATE LIFE INSURANCE COMPANY

FUNDING AGREEMENT PRICING ANNEX

THE SPECIFICATIONS HEREIN APPLY ONLY TO THIS ANNEX:

Owner of Funding Agreement: [ ], its Successors or Assignees

Agreement No.: FA-[xxxx]

Effective Date: [ ]

Agreement Period: [ ] to [ ] (Maturity Date)]

Deposit Amount: [actual amount deposited with Allstate Life]

Principal Amount: [full amount to be repaid by Allstate Life at maturity]

Currency: [ ]

Business Day [definition of Business Day]

Business Day Convention: [specification of date for payment of interest or principal when due date is not a Business Day]

Interest Rate: [interest rate applied to the Principal Amount]

Due Dates for Payment(s) to Owner: [ ]

[Additional Terms and Conditions Relating to Periodic Payments under the Funding Agreement ]

[Early Termination Rights:] [rights of Allstate Life to terminate the Funding Agreement, at its sole option, prior to the Maturity Date, in which case Allstate Life shall pay the Funding Account Balance to the Owner and the Funding Agreement shall terminate]

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[Partial Pre-Payment Rights:] [rights of the Owner require partial pre-payment of the Funding Account Balance prior to the Maturity Date in the event of the death of a Noteholder, such pre-payment rights to not exceed \$[ ] during any one calendar year]

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ALLSTATE LIFE INSURANCE COMPANY

APPLICATION

Application is hereby made to Allstate Life Insurance Company by [ ] for a Funding Agreement containing the terms set forth in the Annex attached to this Application.

This Application is executed in duplicate, one counterpart being retained by applicant and the other returned to Allstate Life Insurance Company.

It is agreed that this Application supersedes any previous application for a Funding Agreement on substantially similar terms as contained in the Annex attached to this Application.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, at\_\_\_\_\_.

\_\_\_\_\_

(Full Name of Applicant)

By:\_\_\_\_\_

Its:\_\_\_\_\_

=====

SUPPORT AND EXPENSES AGREEMENT

BETWEEN

ALLSTATE LIFE INSURANCE COMPANY

AND

ALLSTATE LIFE GLOBAL FUNDING

DATED AS OF JUNE 27, 2002

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EXHIBIT A NOTICE OF OBLIGATION



"SUPPORT AND EXPENSES AGREEMENT"), is entered into between Allstate Life Insurance Company, an Illinois stock life insurance company ("ALLSTATE LIFE") and Allstate Life Global Funding, a statutory business trust organized in series under the laws of the State of Delaware and acting hereunder with respect to each series of the statutory business trust (the "ISSUER").

WHEREAS, the Issuer intends to establish a program (the "PROGRAM") for the continuous issuance of medium term notes (the "NOTES") pursuant to the Indenture; and

WHEREAS, the Issuer desires to use the proceeds of the Notes to purchase funding agreements to be issued by Allstate Life (each, a "FUNDING AGREEMENT").

NOW THEREFORE, in consideration of the premises and covenants set forth in this Support and Expenses Agreement, the parties agree as follows:

ARTICLE 1  
DEFINITIONS; OTHER DEFINITIONAL PROVISIONS

SECTION 1.1 DEFINITIONS. The following terms, as used herein, have the following meanings:

"ADMINISTRATOR" means AMACAR Pacific Corp. and its successors.

"AFFILIATE" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person and, in the case of an individual, any spouse or other member of that individual's immediate family. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by", and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

"ALLSTATE LIFE" has the meaning ascribed in the first paragraph of this Support and Expenses Agreement.

"BUSINESS DAY" means a day (other than a Saturday, Sunday or legal holiday) on which commercial banks in the City of New York, the Borough of Manhattan and Cook County, State of Illinois, are open for business.

"DEALER" means any dealer appointed by the Issuer to sell any of the Notes.

"DELAWARE TRUSTEE" means Wilmington Trust Company, not in its individual capacity but solely as trustee, and its successors.

"EXCLUDED AMOUNTS" means (i) any obligation of the Issuer to make any payment to any Holder in accordance with the terms of the Notes, (ii) any obligation or expense of the Issuer to the extent that such obligation or expense has actually been paid utilizing funds available to the Issuer from payments under the Funding Agreements, (iii) any cost, loss, damage, claim, action, suit, expense, disbursement, tax, penalty and liability of any kind or nature whatsoever resulting from or relating to any insurance regulatory or other governmental authority asserting that: (a) the Notes are, or are deemed to be, (1) participations in the Funding Agreements or (2) contracts of insurance, or (b) the offer, purchase, sale and/or transfer of the Notes (1) constitute the conduct of the business of insurance or reinsurance in any jurisdiction or (2) require the Issuer, any Dealer or any Holder to be licensed as an insurer, insurance agent or broker in any jurisdiction, (iv) any obligation of the Issuer to indemnify Allstate Life or any of its Affiliates under any other agreement between the Issuer on the one hand and any of them on the other hand, (v) any obligation of Allstate Life to pay any Additional Amounts (as defined in such Funding Agreement) pursuant to the terms of the Funding Agreements and (vi) any cost, loss, damage, claim, action, suit, expense, disbursement, tax, penalty and liability of any kind or nature whatsoever resulting from or relating to the acts or failures to act of any Service Provider to the extent that such Service Provider would not be entitled to indemnification or payment from the Issuer in connection with any such act or failure to act pursuant to the terms of any arrangements between the Issuer and such Service Provider in effect on the date of this Support and Expenses Agreement.

"FUNDING AGREEMENT" has the meaning ascribed in the second recital of this Support and Expenses Agreement.

"HOLDER" or "NOTEHOLDER" means any holder of the Notes.

"INDENTURE" means the indenture to be entered into between the Issuer

and the Indenture Trustee before any Notes are issued, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"INDENTURE TRUSTEE" means Bank One, National Association and its successors.

"ISSUER" has the meaning ascribed in the first paragraph of this Support and Expenses Agreement.

"NOTES" has the meaning ascribed in the first recital of this Support and Expenses Agreement.

"NOTICE OF OBLIGATION" means the instrument evidencing an Obligation of the Issuer in, or substantially in, the form attached as Exhibit A.

"OBLIGATIONS" means any and all of the costs, losses, damages, claims, actions, suits, expenses (including the reasonable fees and expenses of counsel), disbursements, taxes, penalties and liabilities of any kind or nature of the Issuer except the Excluded Amounts; provided, however, with respect to the Delaware Trustee and the

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Administrator, only items (i), (ii) and (vi) of the definition of Excluded Amounts shall apply.

"PERSON" means any natural person, corporation, limited partnership, general partnership, joint stock company, limited liability company, joint venture, association, company, trust (including any beneficiary thereof), bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and governments and agencies and political subdivisions thereof.

"PROCEEDING" has the meaning ascribed in Section 3.7(a).

"PROGRAM" has the meaning ascribed in the first recital of this Support and Expenses Agreement.

"SERVICE PROVIDER" means any of the Administrator, the Delaware Trustee and the Indenture Trustee, and any other agent or provider of services to the Issuer, in each case acting in such capacity with respect to the Notes.

"SUPPORT AND EXPENSES AGREEMENT" means this instrument as originally executed and delivered as this instrument may be amended, modified, restated, supplemented and/or replaced from time to time.

SECTION 1.2 OTHER DEFINITIONAL PROVISIONS. For all purposes of this Support and Expenses Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article 1 shall have the meanings ascribed to them in this Article 1 and shall include the plural as well as the singular;
- (b) the words "include", "includes" and "including" shall be construed to be followed by the words "without limitation";
- (c) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting this Support and Expenses Agreement or the intent of the parties hereto;
- (d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Support and Expenses Agreement as a whole and not to any particular Article, Section or other subdivision; and
- (e) references herein to Articles and Sections shall, unless otherwise specified, refer respectively to Articles and Sections hereof.

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## ARTICLE 2 REPRESENTATIONS

SECTION 2.1 GENERAL. Each party hereto represents and warrants to the other that as of the date hereof:

- (a) it has the power to enter into this Support and Expenses Agreement and to consummate the transactions contemplated hereby;

- (b) it has duly authorized, executed and delivered this Support and Expenses Agreement;
- (c) assuming the due authorization, execution and delivery of this Support and Expenses Agreement by the other party, this Support and Expenses Agreement constitutes a legal, valid and binding obligation of the representing party;
- (d) this Support and Expenses Agreement is enforceable against the representing party in accordance with the terms hereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights, and subject as to enforceability to general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law; and
- (e) its execution and delivery of this Support and Expenses Agreement, consummation by it of the transactions contemplated hereby and the performance of its obligations hereunder do not and will not constitute or result in a default, breach or violation of the terms or provisions of its organizational documents or any material indenture, contract, agreement, instrument, mortgage, judgment, injunction or order applicable to which it is a party or by which any of its properties may be bound.

ARTICLE 3  
OBLIGATIONS

SECTION 3.1 PAYMENT OF OBLIGATIONS.

- (a) Allstate Life hereby irrevocably and unconditionally agrees to indemnify the Issuer against, and to pay all Obligations within two Business Days of receipt of the applicable Notice of Obligation, subject only to the terms and conditions of this Support and Expenses Agreement.
- (b) Allstate Life hereby agrees to pay any amount due under this Support and Expenses Agreement in the currency in which the related Obligation originated.

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- (c) Allstate Life and the Issuer hereby agree that all payments due under this Section 3.1 in respect of any Obligation shall be effected, and any responsibility of Allstate Life to pay such Obligation pursuant to the indemnity provided to the Issuer in this Support and Expenses Agreement shall be discharged, by the payment by Allstate Life, at the order of the Issuer, to the account of the person to whom such Obligation is owed, as specified in the applicable Notice of Obligation.

SECTION 3.2 AMENDED OR ADDITIONAL ARRANGEMENTS. The Issuer will not, without the prior written approval of Allstate Life (a) enter into or amend, modify, restate, and/or supplement any compensation or indemnification arrangements with respect to the Program or (b) waive any of its rights under any compensation or indemnification provisions under the Program.

SECTION 3.3 WAIVER OF NOTICE. Allstate Life hereby waives notice of any fact or circumstance that could give rise to the payment of any Obligation under Section 3.1 and, except as provided herein, Allstate Life also waives presentment, demand for payment, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

SECTION 3.4 NO IMPAIRMENT. The obligations, covenants, agreements and duties of Allstate Life under this Support and Expenses Agreement will in no way be affected or impaired by reason of the happening from time to time of any of:

- (a) the extension of time for the payment of all or any portion of any Obligation or for the performance of any other obligation arising under, out of, or in connection with, any Obligation;
- (b) any failure, omission, delay or lack of diligence on the part of the Issuer to enforce, assert or exercise any right, privilege, power or remedy conferred on the Issuer with respect to any Obligation or any action on the part of the Issuer granting indulgence or extension of any kind;
- (c) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment

for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

- (d) the existence of any claim, set-off or other rights that Allstate Life may have at any time against the Issuer; PROVIDED, that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim; or
- (e) any other act or omission to act or delay of any kind by the Issuer or any other Person or any other circumstance whatsoever which

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might, but for the provisions of this Section 3.4(e), constitute a legal or equitable discharge of or defense to Allstate Life's obligations hereunder.

SECTION 3.5 ENFORCEMENT. Notwithstanding any rights granted to Allstate Life under Section 3.9, Allstate Life waives any right or remedy to require that any action be brought against any Person prior to the assertion of a claim under this Support and Expenses Agreement.

SECTION 3.6 SUBROGATION. Upon, and subject to, the payment by Allstate Life of any Obligation:

- (a) Allstate Life shall be subrogated to all of the rights, interests and remedies, if any, of the Issuer in respect of such Obligation; and
- (b) the Issuer will (i) from time to time execute all such instruments and other agreements and take all such other actions as may be necessary or desirable, or that Allstate Life may request, to protect any interest of Allstate Life with respect to any Obligation or to enable Allstate Life to exercise or enforce any right, interest or remedy it may have with respect to any such Obligation and (ii) release to Allstate Life any amount received relating to any Obligation, or any portion of any Obligation, immediately after any such amount relating to such Obligation, or any portion of any such Obligation, is received by the Issuer.

SECTION 3.7 ACTIONS; NOTIFICATION.

- (a) The Issuer shall give prompt written notice to Allstate Life of any litigation, or any investigation or proceeding by any governmental agency or body or other Person, whether commenced or threatened, against the Issuer that may give rise to any Obligation (each, a "PROCEEDING"), but the Issuer's failure to so notify Allstate Life shall not relieve Allstate Life from any liability which it may have otherwise under this Support and Expenses Agreement unless the failure to so notify had an adverse impact on Allstate Life.
- (b) Allstate Life may, in its sole discretion, elect to assume the defense of the Issuer in any Proceeding that could give rise to any Obligation, and if it so elects, Allstate Life shall select counsel reasonably acceptable to the Issuer to represent the Issuer in such Proceeding and pay the fees and expenses of such counsel. In any Proceeding, the Issuer shall have the right to retain its own counsel, but the fees and disbursements of such counsel shall not constitute an Obligation unless (i) Allstate Life and the Issuer shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such Proceeding (including any impleaded

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parties) include both Allstate Life and the Issuer, and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. In no event shall Allstate Life be liable for fees and expenses of more than one counsel (in addition to any local counsel) for the Issuer in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

SECTION 3.8 SETTLEMENT WITHOUT CONSENT. The Issuer may not settle any Proceeding without the consent of Allstate Life.

SECTION 3.9 THIRD PARTY BENEFICIARIES. Allstate Life understands and agrees that each Service Provider (including such parties in their respective individual capacity) shall be a third party beneficiary of the indemnity provided under this Support and Expenses Agreement, subject to the limitations on such indemnity provided in this Support and Expenses Agreement. No other Person shall have any legal or equitable right, remedy or claim under or in respect of this Support and Expenses Agreement or any covenants, conditions or provisions contained herein.

ARTICLE 4  
GENERAL PROVISIONS

SECTION 4.1 BINDING EFFECT. All obligations, covenants, agreements and duties contained in this Support and Expenses Agreement shall bind the permitted successors and assigns, and receivers, trustees and representatives of each of Allstate Life and the Issuer.

SECTION 4.2 AMENDMENTS; ASSIGNMENTS.

- (a) This Support and Expenses Agreement will not be amended, modified, restated, supplemented or replaced in any manner, except with the unanimous written consent of the Issuer, Allstate Life, the Administrator, the Delaware Trustee and the Indenture Trustee.
- (b) Neither this Support and Expenses Agreement nor any title, right or interest in this Support and Expenses Agreement may be sold, transferred, assigned, hypothecated or alienated in any manner whatsoever, except with the express written consent of the Issuer and Allstate Life.

SECTION 4.3 TERM OF AGREEMENT. This Support and Expenses Agreement shall terminate and be of no further force and effect upon the later of (a) the date on which full payment has been made of all amounts payable to each Holder in accordance with the terms of the Notes, whether upon maturity, redemption or otherwise, and (b) the date on which there is no Obligation due and payable under this Support and Expenses Agreement. Unless and until this Support and Expenses Agreement is terminated as

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specified in this Section 4.3, this Support and Expenses Agreement will be continuing, irrevocable, unconditional and absolute.

SECTION 4.4 NOTICES. All demands, notices, instructions or other communications required or permitted to be given hereunder shall be given in writing by delivering the same against receipt by facsimile transmission (confirmed by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows (and if so given, shall be deemed given when mailed or upon receipt of a confirmation, if sent by facsimile):

If to the Issuer, to:

Allstate Life Global Funding  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina  
Attention: Douglas K. Johnson  
Facsimile: (704) 365-1632

If to Allstate Life, to:

Allstate Life Insurance Company  
3100 Sanders Road, Suite M3A  
Northbrook, Illinois 60062  
Attention: Assistant Vice President, Institutional Markets  
Facsimile: (847) 326-6289

SECTION 4.5 GOVERNING LAW. This Support and Expenses Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its choice of law principles.

SECTION 4.6 CONSENT TO JURISDICTION. Each party to this Support and Expenses Agreement submits for itself and in connection with its properties, generally and unconditionally, to the nonexclusive jurisdiction of the United States Federal court located in the City of New York, the Borough of Manhattan

for purposes of any legal proceeding arising out of or relating to this Support and Expenses Agreement or the transactions contemplated hereby. Each party to this Support and Expenses Agreement irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each party to this Support and Expenses Agreement hereby consents to process being served in any suit, action or proceeding with respect to this Support and Expenses Agreement, or any document delivered pursuant hereto by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to its respective address specified at the time for notices under this Support and Expenses Agreement or to any other address of which it shall have given written

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notice to the other party hereto. The foregoing shall not limit the ability of any party hereto to bring suit in the courts of any other jurisdiction.

SECTION 4.7 WAIVER OF JURY TRIAL. Each of the parties to this Support and Expenses Agreement irrevocably and expressly waives any and all right to a trial by jury with respect to any legal proceeding arising out of or relating to this Support and Expenses Agreement or any claims or transactions in connection herewith. Each of the parties hereto hereby acknowledges that such waiver is made with full understanding and knowledge of the nature of the rights and benefits waived hereby.

SECTION 4.8 COUNTERPARTS. This Support and Expenses Agreement and any amendments, modifications, restatements, supplements and/or replacements hereof, or waivers or consents hereto, may be executed in any number of counterparts, and by parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, when taken together shall constitute one in the same instrument. This Support and Expenses Agreement shall become effective upon the execution of a counterpart by each of the parties hereto.

SECTION 4.9 SEVERABILITY. In the event any provision or obligation of this Support and Expenses Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby to the fullest extent permitted under applicable law.

SECTION 4.10 ENTIRE AGREEMENT. This Support and Expenses Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all previous agreements between the parties, whether written or oral.

SECTION 4.11 NO WAIVER. No failure on the part of the parties hereto to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof or the exercise of any other right, power or privilege operate as such a waiver.

SECTION 4.12 REMEDIES CUMULATIVE. No right, power or remedy of the parties hereunder shall be exclusive of any other right, power or remedy, but shall be cumulative and in addition to any other right, power or remedy thereunder or now or hereafter existing by law or in equity.

SECTION 4.13 LIMITATION OF DELAWARE TRUSTEE LIABILITY. Notwithstanding any provision hereof to the contrary, it is expressly understood and agreed by the parties that (a) this Support and Expenses Agreement is executed and delivered by Wilmington Trust Company, not individually or personally, but solely as Delaware Trustee, in the exercise of the powers and authority conferred and vested in it pursuant to the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and

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agreements by Wilmington Trust Company, but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust Company, individually or personally, to perform any covenant either expressed or implied herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto and (d) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the

IN WITNESS WHEREOF, the parties have caused this Support and Expenses Agreement to be executed by duly authorized representatives as of the day and year first above written.

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Sarah R. Donahue

-----  
Name: Sarah R. Donahue  
Title: Assistant Vice President

ALLSTATE LIFE GLOBAL FUNDING, acting hereunder with respect to each series

By: WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as Delaware Trustee

By: /s/ Donald G. MacKelcan

-----  
Name: Donald G. MacKelcan  
Title: Vice President

EXHIBIT A

NOTICE OF OBLIGATION

Date: -

BY [HAND OR OVERNIGHT] DELIVERY AND/OR FACSIMILE

Allstate Life Insurance Company  
Office of the General Counsel  
3100 Sanders Road  
Northbrook, Illinois 60062  
Telephone: -  
Facsimile: -

Ladies and Gentlemen:

Reference is hereby made to the Support and Expenses Agreement dated as of June 27, 2002 (the "SUPPORT AGREEMENT") entered into between Allstate Life Insurance Company, an Illinois stock life insurance company ("ALLSTATE LIFE") and Allstate Life Global Funding, a statutory business trust organized in series under the laws of the State of Delaware (the "ISSUER"). Capitalized terms used in this notice (this "NOTICE OF OBLIGATION") and not otherwise defined have the respective meanings ascribed in the Support Agreement.

The Issuer hereby represents to Allstate Life that:

- (a) on -, the Issuer incurred an Obligation in an amount of \$ -;
- (b) the Obligation resulted from -; and
- (c) all documents and instruments evidencing the Obligation are attached to this Notice of Obligation.

The Issuer hereby requests Allstate Life to pay the Obligation in accordance with the Support Agreement to the following account:

[Name of Bank:  
Account No.:

IN WITNESS WHEREOF, the Issuer has executed and delivered this Notice of Obligation as of the date first written above.

ALLSTATE LIFE GLOBAL FUNDING

By: Wilmington Trust Company, not in its individual capacity, but solely as Delaware Trustee

By:

-----  
Name:  
Title:



ADMINISTRATIVE SERVICES AGREEMENT

BETWEEN

ALLSTATE LIFE GLOBAL FUNDING

AND

AMACAR PACIFIC CORP.

DATED AS OF JUNE 27, 2002

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Exhibit A Administration Fees

THIS ADMINISTRATIVE SERVICES AGREEMENT (this "ADMINISTRATIVE SERVICES AGREEMENT") dated as of June 27, 2002 between Allstate Life Global Funding, a statutory business trust organized in series under the laws of the State of Delaware and acting hereunder with respect to each series of the statutory business trust (the "ISSUER"), and AMACAR Pacific Corp., as administrator (in such capacity, the "ADMINISTRATOR").

WHEREAS, the Issuer desires to establish a program (the "PROGRAM") for the issue from time to time of senior secured notes to be issued in one or more series (the "NOTES"), each to be secured by the related collateral;

WHEREAS, in connection with the issue of the Notes under the Program, the Issuer desires to enter into the Indenture with the Indenture Trustee;

WHEREAS, the Issuer and the Administrator intend to amend and restate this Administrative Services Agreement on or after the date that the Indenture is signed;

WHEREAS, the Issuer has requested that the Administrator provide advice and assistance to the Issuer generally and with respect to each series of the Issuer and perform various services for the Issuer generally and with respect to each series of the Issuer; and

WHEREAS, the Issuer desires to avail itself of the experience, advice and assistance of the Administrator and to have the Administrator perform various financial, statistical, accounting and other services for the Issuer, and the Administrator is willing to furnish such services on the terms and conditions herein set forth.

NOW THEREFORE, in consideration of the premises and covenants set forth in this Administrative Services Agreement, the parties agree as follows:

ARTICLE 1  
DEFINITIONS; OTHER DEFINITIONAL PROVISIONS

SECTION 1.1 DEFINITIONS. The following terms, as used herein, have the following meanings:

"ADMINISTRATION FEE" has the meaning ascribed in Section 4.1.

"ADMINISTRATIVE SERVICES AGREEMENT" means this instrument as originally executed or as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"ADMINISTRATOR" has the meaning ascribed in the first paragraph of this Administrative Services Agreement.

"AFFILIATE" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person and, in the case of an individual, any spouse or other member of that individual's immediate family. For the purposes of this definition, "control" (including with correlative meanings, the terms

"controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"AGENTS" means any of the agents appointed by the Issuer to sell the Notes.

"ASSIGNED DOCUMENTS" means, with respect to any series of Notes, each Funding Agreement from time to time issued by the Funding Agreement Provider and securing such series of Notes, whether owned at the time of issuance of such series of Notes or thereafter acquired by the Issuer and such other agreements, instruments or other documents (if any), as may be specified or contemplated in a Note Certificate or Supplemental Indenture relating to such series of Notes.

"BOOK-ENTRY NOTE" means a Note issued in book-entry form.

"CERTIFICATED NOTE" means a Note issued in certificated form.

"CLEARING CORPORATION" means, with respect to any series of Notes, any of DTC, Euroclear, Clearstream, Luxembourg or any other clearing system specified in the applicable pricing supplement and their respective successors and "CLEARING CORPORATIONS" means all of the foregoing.

"CLEARSTREAM, LUXEMBOURG" means Clearstream Banking S.A., formerly known as Cedelbank S.A., and its successors.

"COMMISSION" has the meaning ascribed in Section 2.2(d).

"DELAWARE TRUSTEE" means Wilmington Trust Company, not in its individual capacity but solely as trustee, and its successors.

"DEPOSITARY" shall mean, with respect to the Notes of any series represented by one or more Global Securities, the Clearing Corporation or its agent or nominee designated as Depositary by the Indenture Trustee until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "DEPOSITARY" shall mean or include each Person who is then a Depositary hereunder, and if at any time there is more than one such Person, "DEPOSITARY" as used with respect to the Notes of any such series shall mean the Depositary with respect to the Notes of that series.

"DISTRIBUTION AGREEMENT" means the distribution agreement to be entered into by and among the Agents and the Issuer, as such agreement may be amended, modified, restated, supplemented and/or replaced from time to time.

"DTC" means The Depository Trust Company and its successors.

"EUROCLEAR" means Euroclear Bank S.A./N.V., and its successors, as operator of the Euroclear System.

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"FUNDING AGREEMENT" means each funding agreement between the Funding Agreement Provider and Issuer issued from time to time by the Funding Agreement Provider up to the principal amount or amounts as may from time to time be authorized by the Funding Agreement Provider and subsequently assigned by the Issuer to the Indenture Trustee, as any of the same shall be amended from time to time.

"FUNDING AGREEMENT PROVIDER" means Allstate Life Insurance Company, a life insurance company organized under the laws of the State of Illinois.

"GLOBAL SECURITY" means a single Note Certificate deposited with the Depositary and registered in the name of a Clearing Corporation or its agent or nominee representing the entire issue of Book-Entry Notes of any series, or if the rules of the applicable Clearing Corporation or the applicable securities laws or regulations of any jurisdiction limit the maximum principal amount of Note Certificates, each of the minimum number of Note Certificates so deposited and registered that are required to comply with such laws, regulations and rules while representing in the aggregate the entire issue of Book-Entry Notes of any series.

"INDENTURE" means the indenture to be entered into between the Issuer and Bank One, National Association before any Notes are issued, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"INDENTURE TRUSTEE" means Bank One, National Association and its successors.

"ISSUER" has the meaning ascribed in the first paragraph of this Administrative Services Agreement.

"LICENSE AGREEMENT" means the license agreement to be entered into between Allstate Insurance Company and the Issuer, as the same may be amended,

modified, restated, supplemented and/or replaced from time to time.

"LOSS AND EXPENSE" has the meaning ascribed in Section 4.2.

"NOTE CERTIFICATE" means each Global Security and each Certificated Note.

"PAYING AGENT" means the Indenture Trustee.

"PERSON" means any natural person, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, limited liability company, trust (including any beneficiary thereof), bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any government or any agency or political subdivision thereof.

"PROGRAM DOCUMENTS" means each Note Certificate, the Indenture, the Trust Agreement, this Administrative Services Agreement, the Distribution Agreement, the

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Support and Expenses Agreement, each Supplemental Indenture, the License Agreement and each Funding Agreement.

"RATING AGENCY" means any "nationally recognized statistical rating organization" (as such term is defined in Rule 436(g)(2) of the Securities Act).

"REASONABLE CAUSE" means (i) the failure or inability of the Administrator to perform any obligations it may have hereunder for any reason or (ii) the existence of facts or circumstances which, in the exclusive opinion of the Delaware Trustee, make it unlikely that the Administrator will be able to perform any such obligations, including, but not limited to, the Administrator being adjudged bankrupt or insolvent, the appointment of a receiver for the Administrator or for its property, or the taking charge or control by any public officer of the Administrator or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

"REGISTRAR" means, initially, the Indenture Trustee.

"RESPONSIBLE OFFICER" when used with respect to any Person means the chairman of the board of directors or any vice chairman of the board of directors or the president or any vice president (whether or not designated by a number or numbers or a word or words added before or after the title "vice president") of such Person. With respect to the Issuer, Responsible Officer means any Responsible Officer (as defined in the preceding sentence) plus any assistant secretary and any financial services officer of the Delaware Trustee, and with respect to the Trustee, Responsible Officer means any Responsible Officer (as defined in the first sentence of this definition) plus the chairman of the trust committee, the chairman of the executive committee, any vice chairman of the executive committee, the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other authorized officer of the Trustee customarily performing functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"SUPPLEMENTAL INDENTURE" means the indenture that the Issuer and Indenture Trustee may from time to time enter into pursuant to the Indenture.

"SUPPORT AND EXPENSES AGREEMENT" means that certain support and expenses agreement dated as of June 27, 2002 by and between the Funding Agreement Provider and the Issuer, as the same may be amended from time to time.

"TRUST AGREEMENT" means that certain Trust Agreement dated as of June 24, 2002 establishing the Issuer, as such agreement may be amended, modified, restated, supplemented and/or replaced from time to time.

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SECTION 1.2 OTHER DEFINITIONAL PROVISIONS. For all purposes of this Administrative Services Agreement except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article 1 shall have the meanings ascribed to them in this Article 1 and shall include the plural as well as the singular;

- (b) the words "include", "includes" and "including" shall be construed to be followed by the words "without limitation";
- (c) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting this Administrative Services Agreement or the intent of the parties hereto;
- (d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Administrative Services Agreement as a whole and not to any particular Article, Section or other subdivision; and
- (e) references herein to Articles, Sections and Exhibits shall, unless otherwise specified, refer respectively to Articles, Sections and Exhibits hereof.

ARTICLE 2  
APPOINTMENT; ADMINISTRATIVE SERVICES

SECTION 2.1 APPOINTMENT. Pursuant to Section 3806(b)(7) of the Delaware Business Trust Act, the Administrator is hereby appointed, as an agent of the Issuer generally and with respect to each series of the Issuer with full power and authority, and agrees to carry out all of the duties and responsibilities (a) of the Issuer generally and with respect to each series of the Issuer under the Program Documents and Assigned Documents and any other document to which the Issuer generally or with respect to any series of the Issuer is a party and (b) of the Administrator hereunder as contemplated by and pursuant to this Administrative Services Agreement.

SECTION 2.2 ADMINISTRATIVE SERVICES. Without limiting the generality of Section 2.1, the Issuer hereby expressly authorizes and empowers the Administrator, as its agent, to perform, and the Administrator hereby expressly agrees to perform, the following services:

- (a) subject to the timely receipt of all necessary information, requests, notices or direction, as the case may be, providing, or causing to be provided, all clerical, bookkeeping and other services necessary and appropriate for the administration of the Issuer including, without limitation, the following services:

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- (i) maintenance of all books and records of the Issuer and each series of the Issuer relating to the fees, costs and expenses of the Issuer and each series of the Issuer, which books and records shall be maintained separately for each series of the Issuer and from those of the Administrator;
- (ii) maintenance of records of cash payments and disbursements (excluding principal and interest on any Funding Agreement) of the Issuer and each series of the Issuer in accordance with generally accepted accounting principles as determined in consultation with the accountants for the Issuer, and preparation for audit of such periodic financial statements as may be necessary or appropriate;
- (iii) upon request, preparation for execution by a Responsible Officer of the Issuer of amendments to, and waivers under, the Program Documents, the Assigned Documents and any other documents or instruments deliverable by the Issuer thereunder or in connection therewith;
- (iv) holding, maintaining, and preserving executed copies of the Program Documents, the Assigned Documents and other documents or instruments executed by the Issuer thereunder or in connection therewith, which shall be maintained separately from those of the Administrator;
- (v) upon receipt of notice, taking such action as may be reasonably necessary to enforce the performance by the other parties to agreements to which the Issuer is a party and enforcing the obligations of those parties to the Issuer under such agreements;
- (vi) upon request, preparing for execution by a Responsible Officer of the Issuer of such notices, consents, instructions and other communications that the Issuer may from time to time be required or permitted to give under

the Program Documents, the Assigned Documents and any other document to which the Issuer generally or with respect to any series of the Issuer is a party;

- (vii) obtaining services of outside counsel, accountants and/or other service providers on behalf of the Issuer;
- (viii) preparing for execution by a Responsible Officer, demands and Issuer's certificates relating to payment of any amounts due and owing by the Issuer under the Program Documents, the

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Assigned Documents and any other document to which the Issuer is a party provided that the foregoing shall not obligate the Administrator to advance any of its own monies for such purpose; it being understood that such amounts shall only be payable to the extent assets of the Issuer are available therefor and at such times and in such amounts as shall be permitted by the Program Documents or the Assigned Documents;

- (ix) preparing for execution by a Responsible Officer, demands and Issuer's certificates relating to payment of any amounts due and owing by the Issuer to the Indenture Trustee, the Paying Agent, the Registrar and other agents of the Issuer on request for all expenses, disbursements and advances; PROVIDED, that the foregoing shall not obligate the Administrator to advance any of its own monies for such purpose; it being understood that such amounts shall only be payable to the extent assets of the Issuer are available therefor and at such times and in such amounts as shall be permitted by the Program Documents or the Assigned Documents; and
  - (x) taking such other administrative actions as may be incidental or reasonably necessary to the accomplishment of the actions of the Administrator authorized in this Section 2.2(a) or, upon receipt of notice directing the Administrator to do so, to the accomplishment of the duties and responsibilities of the Issuer under the Program Documents, the Assigned Documents and any other document to which the Issuer is a party to the extent not otherwise the responsibility of the Indenture Trustee, the Delaware Trustee, a Paying Agent or the Registrar;
- (b) upon the issuance of a series of Notes, directing the Indenture Trustee to pay the expenses of the Issuer relating to such series of Notes;
  - (c) performing the administrative services to ensure compliance with all of the obligations, representations, covenants and agreements of the Issuer set forth in the Trust Agreement;
  - (d) subject to the timely receipt of all necessary information, requests, notices or direction, as the case may be, filing with the Securities and Exchange Commission (the "COMMISSION") and executing, in each case on behalf of the Issuer, (a) a registration statement on Form S-3 or other appropriate form, including the prospectus and the exhibits included therein, any pre-effective or post-effective amendments thereto and any registration statements filed subsequent thereto under rules promulgated under the Securities Act of 1933, as amended (the "1933 ACT"), relating to the registration of the Notes and any other

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securities under the 1933 Act, (b) any preliminary prospectus or prospectus or supplement thereto relating to any Notes required to be filed pursuant to the 1933 Act, and (c) registration statements and such other documents, forms or filings as may be required by the 1933 Act, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or other securities laws in each case relating to any Notes; (ii) filing and executing on behalf of the Issuer such filings, applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents as

may be necessary or desirable to register, or establish the exemption from registration of, any Notes under the securities or "Blue Sky" laws of any relevant jurisdictions; and (iii) executing and delivering letters or documents to, or instruments for filing with, a depository relating to any Notes; and

- (e) undertaking such other administrative services as may be reasonably requested by the Issuer or the Delaware Trustee, including obtaining and maintaining the listing of the Notes on any stock exchange and causing the preparation by the Issuer of any prospectus, pricing supplement, private placement memoranda, offering circular or supplement thereto, in connection with the performance by the Issuer of its obligations under the Program Documents, the Assigned Documents or any other document to which the Issuer is a party or other documents executed thereunder or in connection therewith.

SECTION 2.3. SUBCONTRACTING OF CERTAIN SERVICES. Notwithstanding the foregoing and the provisions of Article 3, the Administrator shall have the right to enter into one or more contracts with one or more other Persons to perform the services set forth in Section 2.2(a)(i)-(ii), Section 2.2(a)(viii)-(ix) and in Section 2.2(b) of this Administrative Services Agreement, in each case subject to the prior written approval of the Funding Agreement Provider, such approval not to be unreasonably withheld or delayed. Whether or not any such contract is entered into and unless the Administrator agrees otherwise, the Administrator shall not be liable for any costs, fees or expenses related to the provision of the services set forth in Section 2.2(a)(i)-(ii), Section 2.2(a)(viii)-(ix) and in Section 2.2(b) of this Administrative Services Agreement.

### ARTICLE 3

#### BUSINESS OF THE ISSUER; EMPLOYEES AND SUBCONTRACTORS; OFFICES

SECTION 3.1. BUSINESS OF THE ISSUER. The Administrator agrees to carry out and perform the day to day business activities (as set forth in Section 2.2 hereof) of the Issuer in the name and on behalf of the Issuer as its agent.

#### SECTION 3.2. EMPLOYEES AND SUBCONTRACTORS.

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- (a) Except as otherwise provided in Section 2.3 of this Administrative Services Agreement, all services to be furnished by the Administrator under this Administrative Services Agreement may be (i) furnished by an officer or employee of the Administrator, an officer or employee of any Affiliate of the Administrator, or any other Person or agent designated by it or (ii) subcontracted by the Administrator; PROVIDED, that prior written notice is given to the Delaware Trustee of such subcontract; PROVIDED, FURTHER, that the Administrator shall remain ultimately responsible for the provision of such services unless such services are subcontracted to accountants, legal counsel or other service providers selected with due care by the Administrator, in which case the Administrator, in the absence of gross negligence or bad faith by the Administrator, shall not be responsible for their actions or failure to act.
- (b) Except as set forth in Article 4, no director, officer, employee or Affiliate of the Administrator shall receive from the Issuer a salary or other compensation.
- (c) The Administrator agrees to provide office space, together with appropriate materials and any necessary support personnel, for the day to day business activities of the Issuer.

### ARTICLE 4

#### COMPENSATION; INDEMNITIES

SECTION 4.1. COMPENSATION. The Issuer agrees to pay the Administrator the fees set forth in Exhibit A hereto (the "ADMINISTRATION FEE").

SECTION 4.2. INDEMNITIES. To the fullest extent permitted under applicable law and subject to limitations imposed by public policy, the Issuer agrees to indemnify the Administrator, and hold the Administrator harmless, from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, out-of-pocket costs and expenses (including, without limitation, interest and reasonable attorneys fees, but excluding costs and expenses attributable solely to administrative overhead) arising out of, in connection with, or resulting from the exercise of the

Administrator's rights and/or the performance of the Administrator's duties, by the Administrator or its agents and employees, hereunder (collectively, "LOSS AND EXPENSE"); provided, however, that, except as set forth in the last proviso of this Section 4.2, the Issuer shall not be liable to indemnify the Administrator, or hold the Administrator harmless, from and against any and all Loss and Expense resulting from or attributable to the gross negligence (or ordinary negligence in the handling or disbursement of funds), bad faith or willful misconduct of the Administrator; provided, further, that with respect only to Losses and Expenses incurred by the Administrator in connection with the performance of the services contemplated in Section 2.2(d) of this Administrative Services Agreement, the Issuer shall not be liable to indemnify the Administrator, or hold the Administrator harmless,

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from and against any and all Loss and Expense resulting from or attributable to the bad faith or willful misconduct of the Administrator.

#### ARTICLE 5 TERM

##### SECTION 5.1. TERM.

- (a) The Administrator may terminate this Administrative Services Agreement upon at least 30 days' prior written notice to the Issuer and the Issuer may terminate this Administrative Services Agreement for Reasonable Cause upon at least 30 days' prior written notice to the Administrator (copies of any notice of termination shall also be sent to the Indenture Trustee). Such termination will not become effective until (a) the Issuer appoints a successor Administrator, (b) the successor Administrator accepts such appointment, (c) the Administrator has obtained the prior written confirmation of any Rating Agency then rating the Program or any series of the Notes that such action will not result in a reduction or withdrawal of its then current ratings, if any, of the Program and/or any series of the Notes as applicable and (d) the Issuer has paid all accrued and unpaid amounts owed to the Administrator under this Administrative Services Agreement.
- (b) Notwithstanding the provisions of Section 5.1(a) and notwithstanding compliance with any of the conditions associated with the termination provisions set forth in Section 5.1(a), the Administrator shall have the right to terminate this Administrative Services Agreement if the Administrator has not approved the Program Documents (not including each Note Certificate, each Supplemental Indenture and each Funding Agreement) on or before September 30, 2002 or if the Funding Agreement Provider has not provided the approval contemplated in Section 2.3 on or before September 30, 2002. In the event of the termination of this Administrative Services Agreement pursuant to this Section 5.1(b), the Administrator shall be entitled to receive from the Issuer any accrued and outstanding fees or reimbursements due to the Administrator for its performance of services pursuant to this Administrative Services Agreement prior to such termination.

#### ARTICLE 6 OBLIGATION TO SUPPLY INFORMATION

SECTION 6.1. OBLIGATION TO SUPPLY INFORMATION. The Issuer hereby authorizes the Delaware Trustee to forward to the Administrator any information which is in the possession of the Issuer in connection with the Program Documents, the Assigned

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Documents and this Administrative Services Agreement as the Administrator may from time to time reasonably request in connection with the performance of its obligations hereunder. The Administrator will (a) hold and safely maintain all records, files, Program Documents, Assigned Documents and other material of the Issuer and (b) permit the Issuer, the Delaware Trustee, and each of their respective officers, directors, agents and consultants on reasonable notice, at any time, and from time to time during normal business hours, to inspect, audit, check and make abstracts from the accounts, records, correspondence, documents and other materials of the Issuer, or relating to the provision of services and facilities under this Administrative Services Agreement.

#### ARTICLE 7



SECTION 7.1. ADMINISTRATOR'S LIABILITY. The Administrator assumes no liability for anything other than the services rendered and the facilities provided by it pursuant to Articles 2 and 3 hereof and neither the Administrator nor any of its directors, officers, employees or Affiliates shall be responsible for any action of the Issuer, the Delaware Trustee, the Funding Agreement Provider or the officers or employees thereof taken outside the scope of Articles 2 and 3 hereof and without direction from the Administrator. Without limiting the generality of the foregoing, it is agreed that the Administrator assumes no liability with respect to any of the Issuer's obligations under the Program Documents.

SECTION 7.2. STANDARD OF CARE. The Administrator shall not be required to perform, endeavor to perform or agree to perform any act on behalf of the Issuer not specifically required or permitted under the Program Documents or the Assigned Documents. The Administrator shall perform its duties hereunder diligently, in conformity with the Issuer's obligations under the Program Documents and the Assigned Documents, and applicable laws and regulations and in accordance with the same standard of care exercised by a prudent person in connection with the performance of the same or similar duties, and in no event with less care than the Administrator exercises or would exercise in connection with the same or similar obligations if those obligations were the direct obligations of the Administrator.

ARTICLE 8  
LIMITED RECOURSE TO ISSUER

SECTION 8.1. LIMITED RECOURSE TO ISSUER. Notwithstanding anything to the contrary contained herein, all obligations of the Issuer hereunder shall be payable by the Issuer only on a payment date of the Notes and only to the extent of funds available therefor under the Indenture and, to the extent such funds are not available or are insufficient for the payment thereof, shall not constitute a claim against the Issuer to the extent of such unavailability or insufficiency until such time as the Issuer has assets sufficient to pay such prior deficiency. This Article 8 shall survive the termination of this Administrative Services Agreement.

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ARTICLE 9  
NO RECOURSE

SECTION 9.1. NO RECOURSE. The obligations of the Issuer hereunder are solely the obligations of the Issuer and no recourse shall be had with respect to this Administrative Services Agreement or any of the obligations of the Issuer hereunder or for the payment of any fee or other amount payable hereunder or for any claim based on, arising out of or relating to any provision of this Administrative Services Agreement against any trustee, employee, settlor, Affiliate, agent or servant of the Issuer. The provisions of this Article 9 shall survive the termination of this Administrative Services Agreement.

ARTICLE 10  
RELIANCE ON INFORMATION OBTAINED FROM THIRD PARTIES

SECTION 10.1. RELIANCE ON INFORMATION OBTAINED FROM THIRD PARTIES. The Issuer recognizes that the accuracy and completeness of the records maintained and the information supplied by the Administrator hereunder is dependent upon the accuracy and completeness of the information obtained by the Administrator from the parties to the Program Documents, the Assigned Documents and other sources and, subject to Articles 4 and 7 hereof but without any duty to conduct any independent investigation, the Administrator shall not be responsible for any inaccurate or incomplete records maintained by the Administrator hereunder that may result therefrom. The Administrator shall have no duty to investigate the accuracy or completeness of any information provided to it and shall be entitled to fully rely on all such information provided to it.

ARTICLE 11  
MISCELLANEOUS

SECTION 11.1. NOTICES. All notices, demands, instructions and other communications required or permitted to be given hereunder shall be in writing (including by facsimile transmission) and shall be personally delivered or sent by guaranteed overnight delivery or by facsimile transmission (confirmed by personal or guaranteed overnight delivery) and shall be deemed to be given for purposes of this Administrative Services Agreement on the day that such writing is received by the intended recipient thereof in accordance with the provisions of this Section 11.1.

Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 11.1, all notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or their respective facsimile numbers) indicated below:

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The Issuer:

Allstate Life Global Funding  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina 28211  
Attention: President  
Facsimile: (704) 365-1632

The Administrator:

AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina 28211  
Attention: Douglas K. Johnson  
Facsimile: (704) 365-1632

SECTION 11.2. AMENDMENT. No amendment, modification, restatement, supplement or replacement hereof, or waiver or consent hereunder, shall be effective unless (a) accomplished by written instrument signed by both parties hereto and (b) the prior written confirmation of each Rating Agency then rating the Program or any series of the Notes that such action will not result in reduction or withdrawal of its then current ratings, if any, of the Program and/or any series of the Notes as applicable. The Issuer shall provide each Rating Agency then rating the Program or any series of the Notes with a copy of each such amendment, modification, restatement, supplement or replacement hereof, or waiver or consent hereunder.

SECTION 11.3. NO JOINT VENTURE. Nothing contained in this Administrative Services Agreement shall constitute the Issuer and the Administrator as members of any partnership, joint venture, association, syndicate or unincorporated business.

SECTION 11.4. ASSIGNMENT. Except as set forth in this Section 11.4, and subject to the rights of the Administrator to subcontract pursuant to Section 3.2 hereof, this Administrative Services Agreement may not be assigned by either party without (a) the prior written consent of the other party and (b) the prior written confirmation of each Rating Agency then rating the Program or any series of the Notes that such action will not result in a reduction or withdrawal of its then current ratings, if any, of the Program and/or any series of the Notes, as applicable. Subject to the foregoing, this Administrative Services Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Any party's transfer or assignment in violation of this Section 11.4 shall be void as to the other party.

SECTION 11.5. GOVERNING LAW. This Administrative Services Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to its choice of law principles.

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SECTION 11.6. CONSENT TO JURISDICTION. Each party to this Administrative Services Agreement submits to the nonexclusive jurisdiction of the United States Federal court located in the City of New York, Borough of Manhattan for purposes of all legal proceedings arising out of or relating to this Administrative Services Agreement or the transactions contemplated hereby. Each party to this Administrative Services Agreement irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each party to this Administrative Services Agreement consents to process being served in any suit, action or proceeding with respect to this agreement, or any document delivered pursuant hereto by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to its respective address specified at the time for notices under this Administrative Services Agreement or to any other address of which it shall have given written notice to the other party. The foregoing shall not limit the ability of any party hereto to bring suit in the courts of any other jurisdiction.

SECTION 11.7. WAIVER OF JURY TRIAL. Each of the parties to this Administrative Services Agreement irrevocably waives any and all right to a trial by jury with respect to any legal proceeding arising out of or relating to this Administrative Services Agreement or any claims or transactions in connection herewith. Each of the parties hereto hereby acknowledge that such waiver is made with full understanding and knowledge of the nature of the rights and benefits waived hereby.

SECTION 11.8. EXECUTION IN COUNTERPARTS. This Administrative Services Agreement and any amendments, modifications, restatements, supplements and/or replacements hereof, or waivers or consents hereto, may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, when taken together, shall constitute one and the same instrument. This Administrative Services Agreement shall become effective upon the execution of a counterpart by each of the parties hereto.

SECTION 11.9. LIMITATION OF DELAWARE TRUSTEE LIABILITY. Notwithstanding any provision hereof to the contrary, it is expressly understood and agreed by the parties that (a) this Administrative Services Agreement is executed and delivered by Wilmington Trust Company, not individually or personally, but solely as Delaware Trustee, in the exercise of the powers and authority conferred and vested in it pursuant to the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company, but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust Company, individually or personally, to perform any covenant either expressed or implied herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto and (d) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of

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any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Administrative Services Agreement or any other related documents.

SECTION 11.10. NO PETITION. Notwithstanding any prior termination of this Administrative Services Agreement, the Administrator as such shall not acquiesce, petition or otherwise, directly or indirectly, invoke or cause the Issuer to invoke the process of any governmental authority for the purpose of commencing or sustaining a case against the Issuer under any Federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property or ordering the winding up or liquidation of the affairs of the Issuer for one year and one day after the last obligation of any series of the Issuer has been paid.

SECTION 11.11. SEVERABILITY. In case one or more of the provisions contained in, or obligation under, this Administrative Services Agreement shall be or shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction shall not in any way be affected or impaired thereby to the fullest extent permitted under applicable law.

SECTION 11.12. ENTIRE AGREEMENT. This Administrative Services Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all previous agreements between the parties, whether written or oral.

SECTION 11.13. ADMINISTRATOR TO PROVIDE INDENTURE TRUSTEE ACCESS TO BOOKS AND RECORDS. The Administrator shall provide the Indenture Trustee with access to the books and records of the Issuer without charge, but only (a) upon the reasonable request of the Indenture Trustee (for which purpose one business day shall be deemed reasonable during the occurrence and continuation of a default or an event of default as specified in the Indenture), (b) during normal business hours, (c) subject to the Administrator's normal security and confidentiality procedures and (d) at offices designated by the Administrator.

SECTION 11.14. NO WAIVER. No failure on the part of the parties hereto to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof or the exercise of any

other right, power or privilege operate as such a waiver.

SECTION 11.15. REMEDIES CUMULATIVE. No right, power or remedy of the parties hereunder shall be exclusive of any other right, power or remedy, but shall be cumulative and in addition to any other right, power or remedy thereunder or now or hereafter existing by law or in equity.

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IN WITNESS WHEREOF, the parties hereto have caused this Administrative Services Agreement to be executed as of the day and year first above written.

ALLSTATE LIFE GLOBAL FUNDING, acting  
hereunder with respect to each series

By: Wilmington Trust Company, not in  
its individual capacity,  
but solely as Delaware Trustee

By: /s/ Donald G. MacKelcan

-----  
Name: Donald G. MacKelcan  
Title: Vice President

AMACAR PACIFIC CORP.,  
in its individual capacity

By: /s/ Douglas K. Johnson

-----  
Name: Douglas K. Johnson  
Title: President

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AMENDED AND RESTATED  
ADMINISTRATIVE SERVICES AGREEMENT  
BETWEEN  
ALLSTATE LIFE GLOBAL FUNDING  
AND  
AMACAR PACIFIC CORP.  
DATED AS OF -, 2002

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Exhibit A Administration Fees

THIS AMENDED AND RESTATED ADMINISTRATIVE SERVICES AGREEMENT (this "ADMINISTRATIVE SERVICES AGREEMENT") dated as of -, 2002 between Allstate Life Global Funding, a statutory trust organized in series under the laws of the State of Delaware and acting hereunder with respect to each series of the statutory trust (the "ISSUER"), and AMACAR Pacific Corp., as administrator (in such capacity, the "ADMINISTRATOR").

WHEREAS, the Issuer and the Administrator entered into that certain Administrative Services Agreement, dated as of June 27, 2002 (the "Base Administrative Services Agreement"), and the parties hereto desire to amend and restate the Base Administrative Services Agreement in its entirety;

WHEREAS, the Issuer desires to establish a program (the "PROGRAM") for the issue from time to time of senior secured notes to be issued in one or more series (the "NOTES"), each to be secured by the related collateral;

WHEREAS, in connection with the issue of the Notes under the Program, the Issuer desires to enter into the Indenture (as defined below) with the Indenture Trustee;

WHEREAS, the Issuer has requested that the Administrator provide advice and assistance to the Issuer generally and with respect to each series of the Issuer and perform various services for the Issuer generally and with respect to each series of the Issuer; and

WHEREAS, the Issuer desires to avail itself of the experience, advice and assistance of the Administrator and to have the Administrator perform various financial, statistical, accounting and other services for the Issuer, and the Administrator is willing to furnish such services on the terms and conditions herein set forth.

NOW THEREFORE, in consideration of the premises and covenants set forth in this Administrative Services Agreement, the parties agree as follows:

ARTICLE 1  
DEFINITIONS; OTHER DEFINITIONAL PROVISIONS

SECTION 1.1 COVENANTS. The Issuer (a) repeats and reaffirms to the Administrator the covenants of the Issuer set forth in Article 4 of the Indenture, dated as of the date hereof (as amended, modified, restated, supplemented and/or replaced from time to time, the "INDENTURE"), between the Issuer and Bank One, National Association.

SECTION 1.2 DEFINITIONS. The following terms, as used herein, have the following meanings:

"ADMINISTRATION FEE" has the meaning ascribed in Section 4.1.



"ADMINISTRATIVE SERVICES AGREEMENT" means this instrument as originally executed or as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"ADMINISTRATOR" has the meaning ascribed in the first paragraph of this Administrative Services Agreement.

"AFFILIATE" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person and, in the case of an individual, any spouse or other member of that individual's immediate family. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"AGENTS" means any of the agents appointed by the Issuer to sell the Notes.

"ASSIGNED DOCUMENTS" means, with respect to any series of Notes, each Funding Agreement from time to time issued by the Funding Agreement Provider and securing such series of Notes, whether owned at the time of issuance of such series of Notes or thereafter acquired by the Issuer and such other agreements, instruments or other documents (if any), as may be specified or contemplated in a Note Certificate or Supplemental Indenture relating to such series of Notes.

"BOOK-ENTRY NOTE" means a Note issued in book-entry form.

"CERTIFICATED NOTE" means a Note issued in certificated form.

"CLEARING CORPORATION" means, with respect to any series of Notes, any of DTC, Euroclear, Clearstream, Luxembourg or any other clearing system specified in the applicable pricing supplement and their respective successors and "CLEARING CORPORATIONS" means all of the foregoing.

"CLEARSTREAM, LUXEMBOURG" means Clearstream Banking S.A., formerly known as Cedelbank S.A., and its successors.

"COMMISSION" has the meaning ascribed in Section 2.2(d).

"DELAWARE TRUSTEE" means Wilmington Trust Company, not in its individual capacity but solely as trustee, and its successors.

"DEPOSITARY" shall mean, with respect to the Notes of any series represented by one or more Global Securities, the Clearing Corporation or its agent or nominee designated as Depositary by the Indenture Trustee until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "DEPOSITARY" shall mean or include each Person who is then a Depositary

hereunder, and if at any time there is more than one such Person, "DEPOSITARY" as used with respect to the Notes of any such series shall mean the Depositary with respect to the Notes of that series.

"DISTRIBUTION AGREEMENT" means the distribution agreement to be entered into by and among the Agents and the Issuer, as such agreement may be amended, modified, restated, supplemented and/or replaced from time to time.

"DTC" means The Depository Trust Company and its successors.

"EUROCLEAR" means Euroclear Bank S.A./N.V., and its successors, as operator of the Euroclear System.

"FUNDING AGREEMENT" means each funding agreement between the Funding Agreement Provider and Issuer issued from time to time by the Funding Agreement Provider up to the principal amount or amounts as may from time to time be authorized by the Funding Agreement Provider and subsequently assigned by the Issuer to the Indenture Trustee, as any of the same shall be amended from time to time.

"FUNDING AGREEMENT PROVIDER" means Allstate Life Insurance Company, a life insurance company organized under the laws of the State of Illinois.

"GLOBAL SECURITY" means a single Note Certificate deposited with the Depositary and registered in the name of a Clearing Corporation or its agent or nominee representing the entire issue of Book-Entry Notes of any series, or if the rules of the applicable Clearing Corporation or the applicable securities laws or regulations of any jurisdiction limit the maximum principal amount of Note Certificates, each of the minimum number of Note Certificates so deposited and registered that are required to comply with such laws, regulations and rules while representing in the aggregate the entire issue of Book-Entry Notes of any series.

"INDENTURE" has the meaning ascribed in Section 1.1.

"INDENTURE TRUSTEE" means Bank One, National Association and its successors.

"ISSUER" has the meaning ascribed in the first paragraph of this Administrative Services Agreement.

"LICENSE AGREEMENT" means the license agreement to be entered into between Allstate Insurance Company and the Issuer, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"LOSS AND EXPENSE" has the meaning ascribed in Section 4.2.

"NOTE CERTIFICATE" means each Global Security and each Certificated Note.

"PAYING AGENT" means the Indenture Trustee.

"PERSON" means any natural person, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, limited liability company, trust (including any beneficiary thereof), bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any government or any agency or political subdivision thereof.

"PROGRAM DOCUMENTS" means each Note Certificate, the Indenture, the Trust Agreement, this Administrative Services Agreement, the Distribution Agreement, the Support and Expenses Agreement, each Supplemental Indenture, the License Agreement and each Funding Agreement.

"RATING AGENCY" means any "nationally recognized statistical rating organization" (as such term is defined in Rule 436(g)(2) of the Securities Act).

"REASONABLE CAUSE" means (i) the failure or inability of the Administrator to perform any obligations it may have hereunder for any reason or (ii) the existence of facts or circumstances which, in the exclusive opinion of the Delaware Trustee, make it unlikely that the Administrator will be able to perform any such obligations, including, but not limited to, the Administrator being adjudged bankrupt or insolvent, the appointment of a receiver for the Administrator or for its property, or the taking charge or control by any public officer of the Administrator or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

"REGISTRAR" means, initially, the Indenture Trustee.

"RESPONSIBLE OFFICER" when used with respect to any Person means the chairman of the board of directors or any vice chairman of the board of directors or the president or any vice president (whether or not designated by a number or numbers or a word or words added before or after the title "vice president") of such Person. With respect to the Issuer, Responsible Officer means any Responsible Officer (as defined in the preceding sentence) plus any assistant secretary and any financial services officer of the Delaware Trustee, and with respect to the Trustee, Responsible Officer means any Responsible Officer (as defined in the first sentence of this definition) plus the chairman of the trust committee, the chairman of the executive committee, any vice chairman of the executive committee, the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other authorized officer of the Trustee customarily performing functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"SUPPLEMENTAL INDENTURE" means the indenture that the Issuer and Indenture Trustee may from time to time enter into pursuant to the Indenture.

"SUPPORT AND EXPENSES AGREEMENT" means that certain support and expenses agreement dated as of June 27, 2002 by and between the Funding Agreement Provider and the Issuer, as the same may be amended from time to time.

"TRUST AGREEMENT" means that certain Trust Agreement dated as of June 24, 2002 establishing the Issuer by and between the Delaware Trustee and the Trust Beneficial Owner, as amended by the Amended and Restated Trust Agreement dated -, as such agreement may be amended, modified, restated, supplemented and/or replaced from time to time.

SECTION 1.3 OTHER DEFINITIONAL PROVISIONS. For all purposes of this Administrative Services Agreement except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article 1 shall have the meanings ascribed to them in this Article 1 and shall include the plural as well as the singular; provided, that all capitalized terms used herein and not otherwise defined herein will have the meanings set forth in the Indenture;
- (b) the words "include", "includes" and "including" shall be construed to be followed by the words "without limitation";
- (c) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting this Administrative Services Agreement or the intent of the parties hereto;
- (d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Administrative Services Agreement as a whole and not to any particular Article, Section or other subdivision; and
- (e) references herein to Articles, Sections and Exhibits shall, unless otherwise specified, refer respectively to Articles, Sections and Exhibits hereof.

ARTICLE 2  
APPOINTMENT; ADMINISTRATIVE SERVICES

SECTION 2.1 APPOINTMENT. Pursuant to Section 3806(b)(7) of the Delaware Statutory Trust Act, the Administrator is hereby appointed, as an agent of the Issuer generally and with respect to each series of the Issuer with full power and authority, and agrees to carry out all of the duties and responsibilities (a) of the Issuer generally and with respect to each series of the Issuer under the Program Documents and Assigned Documents and any other document to which the Issuer generally or with respect to any series of the Issuer is a party and (b) of the Administrator hereunder as contemplated by and pursuant to this Administrative Services Agreement.

SECTION 2.2 ADMINISTRATIVE SERVICES. Without limiting the generality of Section 2.1, the Issuer hereby expressly authorizes and empowers the Administrator, as its agent, to perform, and the Administrator hereby expressly agrees to perform, the following services:

- (a) subject to the timely receipt of all necessary information, requests, notices or direction, as the case may be, providing, or causing to be provided, all clerical, bookkeeping and other services necessary and appropriate for the administration of the Issuer including, without limitation, the following services:
  - (i) maintenance of all books and records of the Issuer and each series of the Issuer relating to the fees, costs and expenses of the Issuer and each series of the Issuer, which books and records shall be maintained separately for each series of the Issuer and from those of the Administrator;
  - (ii) maintenance of records of cash payments and disbursements (excluding principal and interest on any Funding Agreement) of the Issuer and each series of the Issuer in accordance with generally accepted accounting principles as determined in consultation with the accountants for the Issuer, and preparation for audit of such periodic financial statements as may be necessary or appropriate;
  - (iii) upon request, preparation for execution by a Responsible Officer of the Issuer of amendments to, and waivers under, the Program Documents, the Assigned Documents and any other documents or instruments deliverable by the Issuer thereunder or in connection therewith;
  - (iv) holding, maintaining, and preserving executed copies of the Program Documents, the Assigned Documents and other documents or instruments executed by the Issuer thereunder or in connection therewith, which shall be maintained separately from those of the Administrator;
  - (v) upon receipt of notice, taking such action as may be reasonably necessary to enforce the performance by the other parties to agreements to which the Issuer is a party and enforcing the obligations of those parties to the Issuer under such agreements;
  - (vi) upon request, preparing for execution by a Responsible Officer of the Issuer of such notices, consents, instructions and other communications that the Issuer may from time to

time be required or permitted to give under the Program Documents, the Assigned Documents and any other document to which the Issuer generally or with respect to any series of the Issuer is a party;

- (vii) obtaining services of outside counsel, accountants and/or other service providers on behalf of the Issuer (including as required under Section 7.3(f) of the Indenture);
  - (viii) preparing for execution by a Responsible Officer, demands and Issuer's certificates relating to payment of any amounts due and owing by the Issuer under the Program Documents, the Assigned Documents and any other document to which the Issuer is a party provided that the foregoing shall not obligate the Administrator to advance any of its own monies for such purpose; it being understood that such amounts shall only be payable to the extent assets of the Issuer are available therefor and at such times and in such amounts as shall be permitted by the Program Documents or the Assigned Documents;
  - (ix) preparing for execution by a Responsible Officer, demands and Issuer's certificates relating to payment of any amounts due and owing by the Issuer to the Indenture Trustee, the Paying Agent, the Registrar and other agents of the Issuer on request for all expenses, disbursements and advances; PROVIDED, that the foregoing shall not obligate the Administrator to advance any of its own monies for such purpose; it being understood that such amounts shall only be payable to the extent assets of the Issuer are available therefor and at such times and in such amounts as shall be permitted by the Program Documents or the Assigned Documents; and
  - (x) taking such other administrative actions as may be incidental or reasonably necessary to the accomplishment of the actions of the Administrator authorized in this Section 2.2(a) or, upon receipt of notice directing the Administrator to do so, to the accomplishment of the duties and responsibilities of the Issuer under the Program Documents, the Assigned Documents and any other document to which the Issuer is a party to the extent not otherwise the responsibility of the Indenture Trustee, the Delaware Trustee, a Paying Agent or the Registrar;
- (b) upon the issuance of a series of Notes, directing the Indenture Trustee to pay the expenses of the Issuer relating to such series of Notes;

- (c) performing the administrative services to ensure compliance with all of the obligations, representations, covenants and agreements of the Issuer set forth in the Trust Agreement;
- (d) subject to the timely receipt of all necessary information, requests, notices or direction, as the case may be, filing with the Securities and Exchange Commission (the "COMMISSION") and executing, in each case on behalf of the Issuer, (a) a registration statement on Form S-1 or other appropriate form, including the prospectus and the exhibits included therein, any pre-effective or post-effective amendments thereto and any registration statements filed subsequent thereto under rules promulgated under the Securities Act of 1933, as amended (the "1933 ACT"), relating to the registration of the Notes and any other securities under the 1933 Act, (b) any preliminary prospectus or prospectus or supplement thereto relating to any Notes required to be filed pursuant to the 1933 Act, and (c) registration statements and such other documents, forms or filings as may be required by the 1933 Act, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or other securities laws in each case relating to any Notes; (ii) filing and executing on behalf of the Issuer such filings, applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents as may be necessary or desirable to register, or establish the exemption from registration of, any Notes under the securities or "Blue Sky" laws of any relevant jurisdictions; and (iii) executing and delivering letters or documents to, or instruments for filing with, a depository relating to any Notes; and
- (e) undertaking such other administrative services as may be reasonably requested by the Issuer or the Delaware Trustee, including obtaining and maintaining the listing of the Notes on any stock exchange and causing the preparation by the Issuer of any prospectus, pricing supplement, private placement memoranda, offering circular or supplement thereto, in connection with the performance by the Issuer of its obligations under the Program Documents, the Assigned Documents or any other document to which the Issuer is a party or other documents executed thereunder or in connection therewith.

SECTION 2.3. SUBCONTRACTING OF CERTAIN SERVICES. Notwithstanding the foregoing and the provisions of Article 3, the Administrator shall have the right to enter into one or more contracts with one or more other Persons to perform the services set forth in Section 2.2(a)(i)-(ii), Section 2.2(a)(viii)-(ix) and in Section 2.2(b) of this Administrative Services Agreement, in each case subject to the prior written approval of the Funding Agreement Provider, such approval not to be unreasonably withheld or delayed. Whether or not any such contract is entered into and

unless the Administrator agrees otherwise, the Administrator shall not be liable for any costs, fees or expenses related to the provision of the services set forth in Section 2.2(a)(i)-(ii), Section 2.2(a)(viii)-(ix) and in Section 2.2(b) of this Administrative Services Agreement.

### ARTICLE 3

#### BUSINESS OF THE ISSUER; EMPLOYEES AND SUBCONTRACTORS; OFFICES

SECTION 3.1. BUSINESS OF THE ISSUER. The Administrator agrees to carry out and perform the day to day business activities (as set forth in Section 2.2 hereof) of the Issuer in the name and on behalf of the Issuer as its agent.

#### SECTION 3.2. EMPLOYEES AND SUBCONTRACTORS.

- (a) Except as otherwise provided in Section 2.3 of this Administrative Services Agreement, all services to be furnished by the Administrator under this Administrative Services Agreement may be (i) furnished by an officer or employee of the Administrator, an officer or employee of any Affiliate of the Administrator, or any other Person or agent designated by it or (ii) subcontracted by the Administrator; PROVIDED, that prior written notice is given to the Delaware Trustee of such subcontract; PROVIDED, FURTHER, that the Administrator shall remain ultimately responsible for the provision of such services unless such services are subcontracted to accountants, legal counsel or other service providers selected with due care by the Administrator, in which case the Administrator, in the absence of gross negligence or bad faith by the Administrator, shall not be responsible for their actions or failure to act.
- (b) Except as set forth in Article 4, no director, officer, employee or Affiliate of the Administrator shall receive from the Issuer a salary or other compensation.
- (c) The Administrator agrees to provide office space, together with appropriate materials and any necessary support personnel, for the day to day business activities of the Issuer.

### ARTICLE 4

#### COMPENSATION; INDEMNITIES

SECTION 4.1. COMPENSATION. The Issuer agrees to pay the Administrator the fees set forth in Exhibit A hereto (the "ADMINISTRATION FEE").

SECTION 4.2. INDEMNITIES. To the fullest extent permitted under applicable law and subject to limitations imposed by public policy, the Issuer agrees to indemnify the Administrator, and hold the Administrator harmless, from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, out-of-pocket costs and expenses (including, without limitation,



interest and reasonable attorneys fees, but excluding costs and expenses attributable solely to administrative overhead) arising out of, in connection with, or resulting from the exercise of the Administrator's rights and/or the performance of the Administrator's duties, by the Administrator or its agents and employees, hereunder (collectively, "LOSS AND EXPENSE"); provided, however, that, except as set forth in the last proviso of this Section 4.2, the Issuer shall not be liable to indemnify the Administrator, or hold the Administrator harmless, from and against any and all Loss and Expense resulting from or attributable to the gross negligence (or ordinary negligence in the handling or disbursement of funds), bad faith or willful misconduct of the Administrator; provided, further, that with respect only to Losses and Expenses incurred by the Administrator in connection with the performance of the services contemplated in Section 2.2(d) of this Administrative Services Agreement, the Issuer shall not be liable to indemnify the Administrator, or hold the Administrator harmless, from and against any and all Loss and Expense resulting from or attributable to the bad faith or willful misconduct of the Administrator.

ARTICLE 5  
TERM

SECTION 5.1. TERM. The Administrator may terminate this Administrative Services Agreement upon at least 30 days' prior written notice to the Issuer and the Issuer may terminate this Administrative Services Agreement for Reasonable Cause upon at least 30 days' prior written notice to the Administrator (copies of any notice of termination shall also be sent to the Indenture Trustee). Such termination will not become effective until (a) the Issuer appoints a successor Administrator, (b) the successor Administrator accepts such appointment, (c) the Administrator has obtained the prior written confirmation of any Rating Agency then rating the Program or any series of the Notes that such action will not result in a reduction or withdrawal of its then current ratings, if any, of the Program and/or any series of the Notes as applicable and (d) the Issuer has paid all accrued and unpaid amounts owed to the Administrator under this Administrative Services Agreement.

ARTICLE 6  
OBLIGATION TO SUPPLY INFORMATION

SECTION 6.1. OBLIGATION TO SUPPLY INFORMATION. The Issuer hereby authorizes the Delaware Trustee to forward to the Administrator any information which is in the possession of the Issuer in connection with the Program Documents, the Assigned Documents and this Administrative Services Agreement as the Administrator may from time to time reasonably request in connection with the performance of its obligations hereunder. The Administrator will (a) hold and safely maintain all records, files, Program Documents, Assigned Documents and other material of the Issuer and (b) permit the Issuer, the Delaware Trustee, and each of their respective officers, directors, agents and consultants on reasonable notice, at any time, and from time to time during normal business hours, to inspect, audit, check and make abstracts from the accounts, records, correspondence, documents and other materials of the Issuer, or

relating to the provision of services and facilities under this Administrative Services Agreement.

ARTICLE 7  
THE ADMINISTRATOR'S LIABILITY; STANDARD OF CARE

SECTION 7.1. ADMINISTRATOR'S LIABILITY. The Administrator assumes no liability for anything other than the services rendered and the facilities provided by it pursuant to Articles 2 and 3 hereof and neither the Administrator nor any of its directors, officers, employees or Affiliates shall be responsible for any action of the Issuer, the Delaware Trustee, the Funding Agreement Provider or the officers or employees thereof taken outside the scope of Articles 2 and 3 hereof and without direction from the Administrator. Without limiting the generality of the foregoing, it is agreed that the Administrator assumes no liability with respect to any of the Issuer's obligations under the Program Documents.

SECTION 7.2. STANDARD OF CARE. The Administrator shall not be required to perform, endeavor to perform or agree to perform any act on behalf of the Issuer not specifically required or permitted under the Program Documents or the Assigned Documents. The Administrator shall perform its duties hereunder diligently, in conformity with the Issuer's obligations under the Program Documents and the Assigned Documents, and applicable laws and regulations and in accordance with the same standard of care exercised by a prudent person in connection with the performance of the same or similar duties, and in no event with less care than the Administrator exercises or would exercise in connection with the same or similar obligations if those obligations were the direct obligations of the Administrator.

ARTICLE 8  
LIMITED RECOURSE TO ISSUER

SECTION 8.1. LIMITED RECOURSE TO ISSUER. Notwithstanding anything to the contrary contained herein, all obligations of the Issuer hereunder shall be payable by the Issuer only on a payment date of the Notes and only to the extent of funds available therefor under the Indenture and, to the extent such funds are not available or are insufficient for the payment thereof, shall not constitute a claim against the Issuer to the extent of such unavailability or insufficiency until such time as the Issuer has assets sufficient to pay such prior deficiency. This Article 8 shall survive the termination of this Administrative Services Agreement.

ARTICLE 9  
NO RECOURSE

SECTION 9.1. NO RECOURSE. The obligations of the Issuer hereunder are solely the obligations of the Issuer and no recourse shall be had with respect to this Administrative Services Agreement or any of the obligations of the Issuer hereunder or for the payment of any fee or other amount payable hereunder or for any claim based on, arising out of or relating to any provision of this Administrative Services

Agreement against any trustee, employee, settlor, Affiliate, agent or servant of the Issuer. The provisions of this Article 9 shall survive the termination of this Administrative Services Agreement.

ARTICLE 10  
RELIANCE ON INFORMATION OBTAINED FROM THIRD PARTIES

SECTION 10.1. RELIANCE ON INFORMATION OBTAINED FROM THIRD PARTIES. The Issuer recognizes that the accuracy and completeness of the records maintained and the information supplied by the Administrator hereunder is dependent upon the accuracy and completeness of the information obtained by the Administrator from the parties to the Program Documents, the Assigned Documents and other sources and, subject to Articles 4 and 7 hereof but without any duty to conduct any independent investigation, the Administrator shall not be responsible for any inaccurate or incomplete records maintained by the Administrator hereunder that may result therefrom. The Administrator shall have no duty to investigate the accuracy or completeness of any information provided to it and shall be entitled to fully rely on all such information provided to it.

ARTICLE 11  
MISCELLANEOUS

SECTION 11.1. NOTICES. All notices, demands, instructions and other communications required or permitted to be given hereunder shall be in writing (including by facsimile transmission) and shall be personally delivered or sent by guaranteed overnight delivery or by facsimile transmission (confirmed by personal or guaranteed overnight delivery) and shall be deemed to be given for purposes of this Administrative Services Agreement on the day that such writing is received by the intended recipient thereof in accordance with the provisions of this Section 11.1.

Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 11.1, all notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or their respective facsimile numbers) indicated below:

The Issuer:

Allstate Life Global Funding  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina 28211  
Attention: President  
Facsimile: (704) 365-1632

The Administrator:

AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina 28211  
Attention: Douglas K. Johnson  
Facsimile: (704) 365-1632

SECTION 11.2. AMENDMENT. No amendment, modification, restatement, supplement or replacement hereof, or waiver or consent hereunder, shall be effective unless (a) accomplished by written instrument signed by both parties hereto and (b) the prior written confirmation of each Rating Agency then rating the Program or any series of the Notes that such action will not result in reduction or withdrawal of its then current ratings, if any, of the Program and/or any series of the Notes as applicable. The Issuer shall provide each Rating Agency then rating the Program or any series of the Notes with a copy of each such amendment, modification, restatement, supplement or replacement hereof, or waiver or consent hereunder.

SECTION 11.3. NO JOINT VENTURE. Nothing contained in this Administrative Services Agreement shall constitute the Issuer and the Administrator as members of any partnership, joint venture, association, syndicate or unincorporated business.

SECTION 11.4. ASSIGNMENT. Except as set forth in this Section 11.4, and subject to the rights of the Administrator to subcontract pursuant to Section 3.2 hereof, this Administrative Services Agreement may not be assigned by either party without (a) the prior written consent of the other party and (b) the prior written confirmation of each Rating Agency then rating the Program or any series of the Notes that such action will not result in a reduction or withdrawal of its then current ratings, if any, of the Program and/or any series of the Notes, as applicable. Subject to the foregoing, this Administrative Services Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Any party's transfer or assignment in violation of this Section 11.4 shall be void as to the other party.

SECTION 11.5. GOVERNING LAW. This Administrative Services Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to its choice of law principles.

SECTION 11.6. CONSENT TO JURISDICTION. Each party to this Administrative Services Agreement submits to the nonexclusive jurisdiction of the United States Federal court located in the City of New York, Borough of Manhattan for purposes of all legal proceedings arising out of or relating to this Administrative Services Agreement or the transactions contemplated hereby. Each party to this Administrative Services Agreement irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in

such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each party to this Administrative Services Agreement consents to process being served in any suit, action or proceeding with respect to this agreement, or any document delivered pursuant hereto by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to its respective address specified at the time for notices under this Administrative Services Agreement or to any other address of which it shall have given written notice to the other party. The foregoing shall not limit the ability of any party hereto to bring suit in the courts of any other jurisdiction.

SECTION 11.7. WAIVER OF JURY TRIAL. Each of the parties to this Administrative Services Agreement irrevocably waives any and all right to a trial by jury with respect to any legal proceeding arising out of or relating to this Administrative Services Agreement or any claims or transactions in connection herewith. Each of the parties hereto hereby acknowledge that such waiver is made with full understanding and knowledge of the nature of the rights and benefits waived hereby.

SECTION 11.8. EXECUTION IN COUNTERPARTS. This Administrative Services Agreement and any amendments, modifications, restatements, supplements and/or replacements hereof, or waivers or consents hereto, may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, when taken together, shall constitute one and the same instrument. This Administrative Services Agreement shall become effective upon the execution of a counterpart by each of the parties hereto.

SECTION 11.9. LIMITATION OF DELAWARE TRUSTEE LIABILITY. Notwithstanding any provision hereof to the contrary, it is expressly understood and agreed by the parties that (a) this Administrative Services Agreement is executed and delivered by Wilmington Trust Company, not individually or personally, but solely as Delaware Trustee, in the exercise of the powers and authority conferred and vested in it pursuant to the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company, but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust Company, individually or personally, to perform any covenant either expressed or implied herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto and (d) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Administrative Services Agreement or any other related documents.

SECTION 11.10. NO PETITION. Notwithstanding any prior termination of this Administrative Services Agreement, the Administrator as such shall not acquiesce, petition or otherwise, directly or indirectly, invoke or cause the Issuer to invoke the process of any governmental authority for the purpose of commencing or sustaining a

case against the Issuer under any Federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property or ordering the winding up or liquidation of the affairs of the Issuer for one year and one day after the last obligation of any series of the Issuer has been paid.

SECTION 11.11. SEVERABILITY. In case one or more of the provisions contained in, or obligation under, this Administrative Services Agreement shall be or shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction shall not in any way be affected or impaired thereby to the fullest extent permitted under applicable law.

SECTION 11.12. ENTIRE AGREEMENT. This Administrative Services Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all previous agreements between the parties, whether written or oral.

SECTION 11.13. ADMINISTRATOR TO PROVIDE INDENTURE TRUSTEE ACCESS TO BOOKS AND RECORDS. The Administrator shall provide the Indenture Trustee with access to the books and records of the Issuer without charge, but only (a) upon the reasonable request of the Indenture Trustee (for which purpose one business day shall be deemed reasonable during the occurrence and continuation of a default or an event of default as specified in the Indenture), (b) during normal business hours, (c) subject to the Administrator's normal security and confidentiality procedures and (d) at offices designated by the Administrator.

SECTION 11.14. NO WAIVER. No failure on the part of the parties hereto to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof or the exercise of any other right, power or privilege operate as such a waiver.

SECTION 11.15. REMEDIES CUMULATIVE. No right, power or remedy of the parties hereunder shall be exclusive of any other right, power or remedy, but shall be cumulative and in addition to any other right, power or remedy thereunder or now or hereafter existing by law or in equity.

IN WITNESS WHEREOF, the parties hereto have caused this Administrative Services Agreement to be executed as of the day and year first above written.

ALLSTATE LIFE GLOBAL FUNDING, acting  
hereunder with respect to each series

By: Wilmington Trust Company, not in its  
individual capacity,  
but solely as Delaware Trustee

By: \_\_\_\_\_  
Name:  
Title:

AMACAR PACIFIC CORP.,  
in its individual capacity

By: \_\_\_\_\_  
Name: Douglas K. Johnson  
Title: President





## INDEMNITY AGREEMENT

June 24, 2002

Wilmington Trust Company  
 1100 North Market Street  
 Rodney Square North  
 Wilmington, Delaware 19890  
 Attention: Corporate Trust Administration

Ladies and Gentlemen:

In consideration of Wilmington Trust Company ("WTC") agreeing to enter into that certain Trust Agreement, dated as of June 24, 2002 (the "Trust Agreement"), between WTC, as Delaware trustee (the "Trustee"), and AMACAR Pacific Corp. ("Beneficial Owner"), as may be amended and restated from time to time, in connection with the formation of Allstate Life Global Funding, a Delaware statutory business trust organized in series (the "Trust"), the Trust by this letter agreement (this "Agreement"), hereby agrees to the following indemnity arrangement. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Trust Agreement.

1. The Trust (the "Indemnitor") hereby agrees, whether or not any of the transactions contemplated by the Trust Agreement shall be consummated, to assume liability for, and hereby indemnifies, protects, saves and keeps harmless the Trustee, and its officers, directors, successors, assigns, legal representatives, agents and servants (each an "Indemnified Person"), from and against any and all liabilities, obligations, losses, damages, penalties, taxes (excluding any taxes payable by WTC on or measured by any compensation received by WTC for its services as Trustee), claims, actions, investigations, proceedings, costs, expenses or disbursements (including, without limitation, reasonable legal fees and expenses, subject to the limitations contained in the preceding paragraphs) of any kind and nature whatsoever which may be imposed on, incurred by or asserted at any time against an Indemnified Person (whether or not also indemnified against by any other person but in all cases subject to the following two paragraphs) in any way relating to or arising out of (i) the Trust Agreement or any of the other agreements to which the Trust is or becomes a party or the enforcement of any of the terms of any thereof or the administration of the assets of the Trust or the action or inaction of the Trustee under the Trust Agreement, except where any such claim for indemnification has arisen as a result of the willful misconduct or gross negligence (or ordinary negligence with respect to the handling of funds) on the part of the Trustee or WTC in the performance or nonperformance of its duties under the Trust Agreement or any of the other agreements to which the Trust becomes a party.

The obligations of Indemnitor under this Agreement shall be in addition to any liability which Indemnitor or any other person may otherwise have and shall survive the termination of the Trust Agreement.

Wilmington Trust Company  
 June 24, 2002  
 Page 2

2. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of such counterparts shall together constitute but one and the same Agreement.

3. Notices should be sent as set forth below, or at such other address as such party shall hereafter furnish in writing:

Allstate Life Global Funding  
 c/o AMACAR Pacific Corp.  
 6525 Morrison Boulevard, Suite 318  
 Charlotte, North Carolina  
 Attention: Douglas K. Johnson  
 Facsimile: (704) 365-1632

Wilmington Trust Company  
 1100 North Market Street  
 Rodney Square North  
 Wilmington, Delaware 19890  
 Attention: Corporate Trust Administration

4. No waiver, modification or amendment of this Agreement shall be valid unless executed in writing by the parties hereto.

5. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles.

[SIGNATURE PAGE FOLLOWS]

Wilmington Trust Company  
June 24, 2002  
Page 3

If the foregoing correctly sets forth the understanding and agreement between the Indemnitor and WTC, please so indicate by signing in the space provided for below.

Very truly yours,

ALLSTATE LIFE GLOBAL FUNDING

By: Wilmington Trust Company, not in its individual capacity but solely as Delaware Trustee

By: /s/ Donald G. MacKelcan

-----  
Name: Donald G. MacKelcan  
Title: Vice President

AGREED AND ACCEPTED:  
WILMINGTON TRUST COMPANY

By: /s/ Donald G. MacKelcan

-----  
Name: Donald G. MacKelcan  
Title: Vice President

ALLSTATE LIFE INSURANCE COMPANY AND SUBSIDIARIES

COMPUTATION OF EARNINGS TO FIXED CHARGES RATIO

	For the Nine Months Ended September 30,	For the Year ended December 31,				
	2002	2001	2000	1999	1998	1997
	(in millions)					
1. Income from continuing operations before income taxes and cumulative effect of change in accounting principle	\$ 271	\$ 553	\$ 711	\$ 770	\$ 838	\$ 745
2. Dividends from less than 50% owned subsidiary	—	—	—	—	—	—
3. Income from continuing operations before income taxes (1+2)	\$ 271	\$ 553	\$ 711	\$ 770	\$ 838	\$ 745
Fixed Charges:						
4. Interest on indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
5. Interest factor of annual rental expense	2	4	4	4	8	6
6. Total fixed charges (4+5)	\$ 2	\$ 4	\$ 4	\$ 4	\$ 8	\$ 6
7. Income from continuing operations before income taxes, cumulative effect of change in accounting principle and fixed charges (3+6)	\$ 273	\$ 557	\$ 715	\$ 774	\$ 846	\$ 751
8. Ratio of earnings to fixed charges before dividends on redeemable preferred securities and interest credited to contractholder funds (7/6)	136.5x	139.3x	178.8x	193.5x	105.8x	125.2x
9. Dividends on redeemable preferred securities	3	20	20	18	17	15
10. Total fixed charges and dividends on redeemable preferred securities (6+9)	\$ 5	\$ 24	\$ 24	\$ 22	\$ 25	\$ 21
11. Income from continuing operations before income taxes, cumulative effect of change in accounting principle, fixed charges and redeemable preferred securities (3+6+9)	\$ 276	\$ 577	\$ 735	\$ 792	\$ 863	\$ 766
12. Ratio of earnings to fixed charges before interest credited to contractholder funds (11/10)	55.2x	24.0x	30.6x	36.0x	34.5x	36.5x
13. Interest credited to contractholder funds	\$ 1,263	\$ 1,670	\$ 1,519	\$ 1,260	\$ 1,190	\$ 1,167
14. Total fixed charges including dividends on redeemable preferred securities and interest credited to contractholder funds (10+13)	\$ 1,268	\$ 1,694	\$ 1,543	\$ 1,282	\$ 1,215	\$ 1,188
15. Income from continuing operations before income taxes, cumulative effect of change in accounting principle and	\$ 1,539	\$ 2,247	\$ 2,254	\$ 2,052	\$ 2,053	\$ 1,933

fixed charges, including interest credited to contractholder  
funds (3+14)

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16.	Ratio of earnings to fixed charges (15/14)	1.2x	1.3x	1.5x	1.6x	1.7x	1.6x
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## QuickLinks

[Exhibit 12](#)

[ALLSTATE LIFE INSURANCE COMPANY AND SUBSIDIARIES COMPUTATION OF EARNINGS TO FIXED CHARGES RATIO](#)

November 18, 2002

Board of Directors  
Allstate Life Insurance Company  
Northbrook, Illinois

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim financial information of Allstate Life Insurance Company and subsidiaries for the periods ended March 31, 2002 and 2001; June 30, 2002 and 2001; and September 30, 2002 and 2001, as indicated in our reports dated May 9, 2002; August 9, 2002 and November 12, 2002, respectively; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our reports referred to above, which were included in your Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002; June 30, 2002; and September 30, 2002, are being used in these Registration Statements.

We also are aware that the aforementioned reports, pursuant to Rule 436(c) under the Securities Act of 1933, are not considered a part of these Registration Statements prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP

Chicago, Illinois

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QuickLinks

[Exhibit 15](#)

[QuickLinks](#) -- Click here to rapidly navigate through this document

**Exhibit 23.1**

**INDEPENDENT AUDITORS' CONSENT**

We consent to the incorporation by reference in this Registration Statement of Allstate Life Global Funding on Form S-1 and this Registration Statement of Allstate Life Insurance Company on Form S-3 of our report dated February 20, 2002 (March 28, 2002 as to Note 18), appearing in the Registration Statement on Form 10 of Allstate Life Insurance Company for the year ended December 31, 2001 filed on April 24, 2002 and to the reference to us under the heading "Experts" in the Prospectus, which is part of these Registration Statements.

/s/ Deloitte & Touche LLP

Chicago, Illinois  
November 18, 2002

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QuickLinks

[Exhibit 23.1](#)

[INDEPENDENT AUDITORS' CONSENT](#)

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM T-1

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939  
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY  
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)

### BANK ONE, NATIONAL ASSOCIATION

(Exact name of trustee as specified in its charter)

A National Banking Association

36-0899825

(I.R.S. employer  
identification number)

1 Bank One Plaza, Chicago, Illinois  
(Address of principal executive offices)

60670-0126

(Zip Code)

Bank One, National Association

1 Bank One Plaza,

Chicago, Illinois 60670

Attn: Sandra L. Caruba, First Vice President, (312) 336-9436

(Name, address and telephone number of agent for service)

### ALLSTATE LIFE GLOBAL FUNDING

(Exact name of obligor as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

Not Applicable

(I.R.S. employer  
identification number)

6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina

(Address of principal executive offices)

28211

(Zip Code)

Senior Secured Medium Term Notes

(Title of Indenture Securities)

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**Item 1. General Information.** Furnish the following information as to the trustee:

**(a) Name and address of each examining or supervising authority to which it is subject.**

Comptroller of Currency, Washington, D.C.; Federal Deposit Insurance Corporation, Washington, D.C.; The Board of Governors of the Federal Reserve System, Washington D.C..

**(b) Whether it is authorized to exercise corporate trust powers.**

The trustee is authorized to exercise corporate trust powers.

**Item 2. Affiliations With the Obligor.** If the obligor is an affiliate of the trustee, describe each such affiliation.

No such affiliation exists with the trustee.

**Item 16. List of exhibits.** List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the articles of association of the trustee now in effect.\*
2. A copy of the certificates of authority of the trustee to commence business.\*

3. A copy of the authorization of the trustee to exercise corporate trust powers.\*
4. A copy of the existing by-laws of the trustee.\*
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not Applicable.
9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Bank One, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 11th day of November, 2002.

**Bank One, National Association,  
Trustee**

By */s/ Sandra L. Caruba*  
**Sandra L. Caruba**  
First Vice President

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\* Exhibits 1, 2, 3, and 4 are herein incorporated by reference to Exhibits bearing identical numbers in Item 16 of the Form T-1 of Bank One, National Association, filed as Exhibit 25 to the Registration Statement on Form S-3 of Household Finance Corporation filed with the Securities and Exchange Commission on March 24, 2000 (Registration No. 333-33240).

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**EXHIBIT 6**

**THE CONSENT OF THE TRUSTEE REQUIRED  
BY SECTION 321(b) OF THE ACT**

November 11, 2002

Securities and Exchange Commission  
Washington, D.C. 20549

Ladies and Gentlemen:

In connection with the qualification of an indenture between Allstate Life Global Funding and Bank One, National Association, as Trustee, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

**Bank One, National Association**

By: */s/ Sandra L. Caruba*  
**Sandra L. Caruba**  
First Vice President

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**Consolidated Report of Condition for Insured Commercial  
and State-Chartered Savings Banks for June 30, 2002**

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

**Schedule RC—Balance Sheet**

Dollar Amounts

RCFD

Bil/Mil/Thou



ASSETS				
1. Cash and balances due from depository institutions (from Schedule RC-A):				
a. Noninterest-bearing balances and currency and coin(1)		0031	12,783,000	1.a
b. Interest-bearing balances(2)		0071	3,002,000	1.b
2. Securities:				
a. Held-to-maturity securities (from Schedule RC-B, column A)		1754	0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D)		1773	42,712,000	2.b
3. Federal funds sold and securities purchased under agreements to resell:		RCON		
a. Federal funds sold in domestic offices		8987	7,139,000	3.a
		RCFD		
b. Securities purchased under agreements to resell(3)		8959	1,015,000	3.b
4. Loans and lease financing receivables (from Schedule RC-C):				
a. Loans and leases held for sale		0309	1,537,000	4.a
b. Loans and leases, net of unearned income	8528		101,957,000	4.b
c. LESS: Allowance for loan and lease losses	3123		2,551,000	4.c
d. Loans and leases, net of unearned income and allowance (Item 4.b minus 4.c)		8528	99,408,000	4.d
5. Trading assets (from Schedule RC-D)		3545	3,353,000	5
6. Premises and fixed assets (including capitalized leases)		2145	1,005,000	6
7. Other real estate owned (from Schedule RC-M)		2150	33,000	7
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)		2130	175,000	8
9. Customers' liability to this bank on acceptances outstanding		2155	244,000	9
10. Intangible assets:				
a. Goodwill		3165	473,000	10.a
b. Other intangible assets (from Schedule RC-M)		0426	2,000	10.b
11. Other assets (from Schedule RC-F)		2160	10,989,000	11
12. Total assets (sum of items 1 through 11)		2170	183,359,000	12

(1) Includes cash items in process of collection and unposted debits.

(2) Includes time certificates of deposit not held for trading.

(3) Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.

#### Schedule RC—Continued

	Dollar Amounts In Thousands		RCFD	Bil/Mil/Thou	
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part 1)			RCON 2200	90,275,000	13.a
(1) Noninterest-bearing(1)	6631	33,176,000			13.a.1
(2) Interest-bearing	6638	57,099,000			13.a.2
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)			RCFN 2200	24,426,000	13.b
(1) Noninterest-bearing	6631	373,000			13.b.1
(2) Interest-bearing	6538	24,053,000			13.b.2
14. Federal funds purchased and securities sold under agreements to repurchase:			RCON		
a. Federal funds purchased in domestic offices(2)			8893	5,324,000	14.a
			RCFD		
b. Securities sold under agreements to repurchase(3)			8995	13,027,000	14.b
15. Trading liabilities (from Schedule RC-D)			3548	3,119,000	15
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)			3190	19,954,000	16
17. Not applicable					
18. Bank's liability on acceptances executed and outstanding			2920	244,000	18
19. Subordinated notes and debentures(4)			3200	3,979,000	19
20. Other liabilities (from Schedule RC-G)			2930	10,109,000	20
21. Total liabilities (sum of items 13 through 20)			2948	170,457,000	21
22. Minority interest in consolidated subsidiaries			3000	60,000	22
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus			3533	0	23
24. Common stock			3230	201,000	24
25. Surplus (exclude all surplus related to preferred stock)			3539	7,479,000	25
26. a. Retained earnings			3832	5,545,000	26.a

b. Accumulated other comprehensive income(5)	9530	127,000	26.b
27. Other equity capital components(6)	A130	0	27
28. Total equity capital (sum of items 23 through 27)	3210	13,352,000	28
29. Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)	3300	183,869,000	29

Memorandum

To be reported only with the March Report of Condition.

	RCFD	Number
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2001	5724	N/A M.1

- |  |   |
|--|---|
| <p>1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank</p> <p>2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)</p> <p>3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm</p> | <p>4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)</p> <p>5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)</p> <p>6 = Review of the bank's financial statements by external auditors</p> <p>7 = Compilation of the bank's financial statements by external auditors</p> <p>8 = Other audit procedures (excluding tax preparation work)</p> <p>9 = No external audit work</p> |
|--|---|

- (1) Includes total demand deposits and noninterest-bearing time and savings deposits.
- (2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "other borrowed money."
- (3) Includes all securities repurchase agreements in domestic and foreign offices, regardless of maturity.
- (4) Includes limited-life preferred stock and related surplus.
- (5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.
- (6) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

QuickLinks

[Exhibit 25](#)

[EXHIBIT 6](#)